STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. LADD

DATE: October 22, 1948

FROM : A. Rosen

SUBJECT: LOUIS CAMPAGNA, was, ET AL
BRIBERY
PAROLE MATTERS

Mr. Tolson
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Tele. Room
Mr. Nease
Miss Holmes
Miss Gandy

PURPOSE

To advise you that Ned Bakes of Chicago, whose appearance before the Congressional Committee holding hearings in this case was desired, has been arrested by the Los Angeles Police Department.

BACKGROUND

This case involves the granting of parole to subject, Campagna, and four associates who have been called ex-Capone gangsters. An exhaustive investigation was conducted by the Bureau into allegations of bribery and other irregularities in connection with the granting of these paroles. Thereafter, a Federal Grand Jury was convened in Chicago. The United States Board of Parole has revoked the paroles of four of the five subjects. In addition, the Grand Jury returned indictments against Anthony Accardo, a Chicago gangster, and Eugene Bernstein, a Chicago attorney, charging them with conspiracy and with making false statements to the Government in connection with their activities in behalf of subjects in securing parole for them. The trial in this matter is set for November 8, 1948.

CURRENT DEVELOPMENTS

Concurrently with the Bureau's investigation in this case and subsequent thereto, a sub-committee of the United States House of Representatives has held hearings in connection with this matter. Congressman Fred E. Busbey, (R - Illinois), has been active in these Congressional hearings. By letter dated September 8, 1948, Congressman Busbey requested the Bureau's assistance in locating a Ned Bakes of Chicago in order that Bakes might be served with a Congressional Committee subpoena. Bakes had been interviewed on two occasions by the Chicago Division in connection with our investigation in this matter. Busbey's letter was referred by the Bureau to the Attorney General and no investigation to locate Bakes again was requested by him.

RECORDED - 59 | 55-2000-1921
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The Los Angeles Division has advised that Bakes was arrested on October 21 by the Los Angeles Police Department. On the evening of October 21, the Chicago Police Department contacted our Chicago Division and advised that Bakes had been arrested by the Los Angeles Police Department and that a stop had been placed with the Chicago Police Department by the United States Marshal there who had a subpoena for Bakes. The Chicago Police Department indicated that it was advising the United States Marshal and also Congressman Busbey concerning the information received by them from the Los Angeles Police Department.

CC MR. NICHOLS 60 NOV 3 1948

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 3/16/95 BY SP5 Cr/ar

MR. LADD

October 22, 1948

ACTION

No action is necessary and this memorandum is submitted for your information. When interviewed by the Bureau, Bakes denied any connection with the Campagna case and there has been no information of substance developed which would indicate such a connection.

58-2000

CAE:ige

ADDENDUM 10/22/48

SAC George McSwain, Chicago, advised that the Chicago Herald American has now come out with an article headlined "Capture, then Lose Key in Mob Parole". The article goes on to indicate that both the Los Angeles Police Department and the FBI are now engaged in a man hunt to find Ned Bakes who was wanted in connection with the Campagna Parole matter. Mr. McSwain stated that he was calling in to point out that the Chicago Division had not conducted any investigation to locate Bakes and did not contemplate taking any such action. The story is entirely erroneous in indicating that the FBI participated in any way in the capture, loss or the current hunt for Bates. McSwain stated that he has received several press inquiries on this and has answered them all by indicating that the Bureau is not investigating the Ned Bakes matter and he has referred all inquirers to the U. S. Marshal.

SAC McSwain stated that he wanted the Bureau to know of this development, that he believed it possible that additional inquiries would be received here in Washington.

FLP:MJP

JEH ✓

This isn't clear to me. Is Bakes now loose again? Also what was Bakes originally arrested for by the L. A. Police?

L.

Memo Rosen to Ladd 10/26/48 CAE

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Ladd

DATE: October 26, 1948

FROM : A. Rosen

SUBJECT: LOUIS CAMPAGNA, was., ET AL
BRIBERY
PAROLE MATTERS

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Tele. Room
Mr. Nease
Miss Holmes
Miss Gandy

With reference to the Director's inquiry, it is noted that Ned Bakes was arrested by the Los Angeles Police Department on October 21, 1948 at 5270 Sunset Boulevard, Hollywood, when information was brought to the attention of the Los Angeles Police Department that Bakes had stated in a restaurant that he was the missing witness wanted by the Chicago Police Department in connection with the Ragen murder. The Los Angeles Police Department contacted the Chicago Police Department telephonically, and was advised that the Chicago Police Department did not desire Bakes' apprehension. Accordingly, Bakes was released. The Chicago Police Department did, however, telephonically advise the U. S. Marshal in Chicago that Bakes had been taken into custody. This notification was given since the U. S. Marshal had placed a stop with the Chicago Police Department on Bakes, inasmuch as the U. S. Marshal had a subpoena calling for Bakes' appearance before the Congressional Committee holding hearings in the Campagna case.

Ned Bakes has been previously interviewed on two occasions by the Bureau. His name was brought into the Campagna case by Congressman Fred E. Busbey (R-Illinois), who believes Bakes is the mysterious "Mike Ryan" who retained Maury Hughes, Dallas attorney, to assist subjects in connection with the dismissal of mail fraud indictments then pending against them. Under Parole Board procedure, it was necessary that the outstanding indictments be dismissed before subjects could be considered for parole.

RECORDED - 59 | 58-2000-1922
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When interviewed by Bureau Agents, Bakes denied ever having used the name "Mike Ryan" and denied having any connection, or being involved in any manner, with the granting of the paroles to Campagna and his associates. Bakes, according to the Identification files, does not have a criminal record, and so far as is known to the Bureau, is not wanted for any crime.

ALL INFORMATION CONTAINED
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DATE 3/6/75 BY SP5 AW

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Please hereafter have original memo complete & clear. It saves time & effort.

6 NOV 3 1948

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT 25 1948

TELETYPE

Mr. Tolson
Mr. Clegg
Mr. Ga...
Mr. [illegible]
Mr. [illegible]
Mr. [illegible]
Mr. [illegible]
Mr. [illegible]
Mr. [illegible]
Mr. [illegible]
Mr. [illegible]
Mr. [illegible]
Mr. Nease
Miss Gandy

FBI-ATLANTA 10-25-48 5-43 PM PHA

DIRECTOR ..... U R G E N T

LOUIS CAMPAGNA, ETAL, BRIBERY, PAROLE MATTERS, HABEAS CORPUS PROCEEDINGS. HEARING BEGUN BEFORE JUDGE UNDERWOOD TODAY. BOTH CAMPAGNA AND GIOE TESTIFIED. NO ALLEGATION AGAINST FBI WAS MADE. BOTH CLAIM DID NOT VIOLATE PAROLE. [redacted] GIOE TESTIFIED THAT HE WAS ARRESTED AT HIS HOME IN CHICAGO ABOUT FIV AM BY U. S. MARSHALS, TWO CITY POLICEMEN, AND TWO MEN, IDENTITY NOT KNOWN. JUDGE UNDERWOOD REFUSED TO ALLOW INTRODUCTION OF RECORD IN ORIGINAL NYC CASE. HE ALSO OVERRULED OBJECTIONS BY THE GOVERNMENT THAT INSTANT [redacted] PROCEEDINGS IS PREMA[redacted] BECAUSE PAROLE BOARD HAS NOT TAKEN FINAL ACTION REGARDING PAROLES OF CAMPAGNA AND GIOE. MR. GOTTSCHALL OF THE DEPARTMENT IS IN ATLANTA ASSISTING AUSA TYSINGER. IT IS ANTICIPATED THAT HEARING WILL BE CONCLUDED TOMORROW.

FOLTZ

END

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94$ AFTER ACK PLS

5-45 PM OK FBI WASH DC ELR

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FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT 22 1948

TELEMETER

CONE 2 STATIONS

WASH 6 CGO 2 FROM LOS ANGELES 22 4-35 P.M.

DIRECTOR AND SAC URGENT

ATTENTION - ASST. DIRECTOR A. ROSEN.

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 3/16/93 BY SP5 CLP

LOUIS CAMPAGNA, WAS., ET AL, BRIBERY; PAROLE MATTERS. RE LA TEL ENTITLED IGNACIOUS SPACCHESE WAS IGNACIOUS SPACHASI, NED BAKES, ATTENTION IDENT. DIV. YESTERDAY. BAKES WAS PICKED UP BY LAPD AT [redacted] FIVE TWO SEVEN NAUGHT SUNSET BLVD., [redacted] HOLLYWOOD, ON ROUTINE CHECK YESTERDAY. ADVISED ONE ONE EIGHT SO. ASHLAND BLVD., CHICAGO, AS HOME ADDRESS AND FORMERLY WORKED AS A DEPUTY SHERIFF IN CHICAGO [redacted] FOR SIX YEARS UNTIE FORTYSIX. ADVISED PRESENTLY HERE FOR VACATION AND RETURNING CHICAGO NEXT WEEK. POLICE [redacted] PICKED BAKES UP AS HE ALLEGEDLY MADE [redacted] STATEMENT IN HOLLYWOOD NIGHT CLUB THAT HE IS THE MYSTERY WITNESS IN CONNECTION WITH THE JAMES RAGEN KILLING IN CHICAGO. LA OFFICE DISCREETLY [redacted] ASCERTAINED FROM LAPD WHO LEARNED FROM CHICAGO PD THAT A WARRANT IS PRESENTLY OUTSTANDING WITH USC, CHICAGO, REQUESTING ONE NED BAKES TO APPEAR AT CONGRESSIONAL INVESTIGATION RE ABOVE KILLING. THIS INFO PROVIDED LAPD BY CHICAGO SUN [redacted] NEWSPAPER. LT. STORM'S OFFICE AT CHICAGO PD ADVISED THAT BAKES THEN BEING HELD BY LAPD WAS NOT THE MAN WANTED. BAKES WAS NOT ARRESTED AND

END PAGE ONE

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Mr. Tolson
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Hogan
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

No Action
R.L.B.

62-2000-1924

PAGE TWO

HAS BEEN RELEASED, HOWEVER, FINGERPRINTS WERE TAKEN AND WERE FOR-
WARDED BUREAU AS SET OUT IN REFERENCED TEL. NO INVESTIGATION OR
INQUIRY BEING CONDUCTED.

HOOD

ACK PLS

Called Ident.

M.H. Bramwell & C.C. Mr. Tracy

FEDERAL BUREAU OF INVESTIGATION
U.S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

OCT 26 1948

TELETYPE

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 3/16/95 BY SP2 [illegible]

FBI ATLANTA 10-26-48 5-06 PM PHA

DIRECTOR ..... URGENT

LOUIS CAMPAGNA, ET AL, BRIBERY, PAROLE MATTERS, HABEAS CORPUS PROCEEDINGS. REMYTEL YESTERDAY. HEARING CONCLUDED TODAY AND GOVERNMENT HAS BEEN ALLOWED TEN DAYS IN WHICH TO FILE MEMORANDUM BRIEF. PETITIONER EVIDENCE CONSISTED OF TESTIMONY OF CAMPAGNA AND CIOE, INTERROGATORIES OF PAROLE BOARD MEMBERS BUT THESE ESSENTIALLY NEGATIVE SINCE BOARD DECLINED TO ANSWER PERTINENT QUESTIONS BECAUSE RELATED TO MATTERS PENDING BEFORE BOARD. PETITIONERS ALSO INTRODUCED INTERROGATORY OF GOVERNMENT PROSECUTOR IN ORIGINAL NYC CASE BUT SINCE THE RECORD IN THE NYC CASE WAS RULED INADMISSIBLE, PETITIONER APPARENTLY ABANDONED HIS CONTENTION THAT ORIGINAL CONVICTION WAS BASED UPON PERJURED TESTIMONY. PETITIONER ALSO SUCCESSFUL IN INTRODUCING TRANSCRIPT OF TESTIMONY TAKEN BEFORE CONGRESSIONAL SUBCOMMITTEE ALLEGEDLY REFLECTING TESTIMONY OF PAROLE BOARD MEMBERS THAT PETITIONERS HAD NOT VIOLATED THEIR PAROLE. NOTHING APPEARS IN TESTIMONY OR INTERROGATORIES REFLECTING UPON EBI. GOVERNMENT DID NOT RECORDED 58 OCT 29 1948 PRODUCE ANY EVIDENCE BEYOND THE P. V. WARRANT, ELECTING TO STAND ON QUESTION OF LAW, NAMELY THAT COURT HAS NO AUTHORITY IN HABEAS CORPUS PROCEEDINGS TO JUDICIALLY REVIEW INSTANT MATTER BECAUSE PAROLE BOARD HAS NOT RENDERED FINAL DECISION. JUDGE UNDERWOOD CRITICAL OF GOVERNMENTS POSITION INDICATING FAILURE TO UNDERSTAND WHY PAROLE BOARD REFUSED TO FURNISH INFORMATION TO COURT AS TO VIOLATIONS WHICH PROMPTED

NOV 9 1948

ISSUANCE OF P. V. WARRANT. SO INDICATED THAT IN VIEW OF STAND

925

PAGE TWO ....

TAKEN BY PAROLE BOARD, IT APPEARED TO HIM FROM THE RECORD THAT PETITIONERS HAD NOT VIOLATED THEIR PAROLE AND THEREFORE THE P. V. WARRANT WAS INVALID. REQUEST FOR PETITIONERS RELEASE ON BOND AGAIN DENIED. AUSA, ATLANTA, ADVISES THAT MEMORANDUM BRIEF WILL BE PREPARI BY DEPARTMENT IN WASHINGTON. THIS MATTER BEING FOLLOWED.

FOLTZ

MEND

3 CL 5-11 PM OK FBI WA SWA

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. A. ROSEN

DATE: November 1, 1948

FROM : C. A. EVANS

SUBJECT: LOUIS CAMPAGNA, was, et al
BRIBERY; PAROLE MATTERS

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
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Tele. Room
Mr. Nease
Miss Holmes
Miss Gandy

Briefs in behalf of the Government in connection with the writs of habeas corpus filed by Subjects Campagna and Gioe are being prepared by the Department and are to be filed in the USDC, Atlanta, by November 5th. The Government is being represented by Mr. A. E. Gottshall of the Criminal Division and by AUSA Tysinger of Atlanta. Defense counsel are William Scott Stewart, regular Chicago attorney for subjects, and M. Neil Andrews, formerly USA at Atlanta.

DETAILS

Writs of habeas corpus were filed in the USDC, Atlanta, in behalf of Campagna and Gioe following their arrest on July 23, 1948, pursuant to parole violator warrants and their return to the Atlanta Penitentiary. In hearings held in the USDC, Atlanta, relative to these motions, the Government did not introduce any evidence other than to show that parole violator warrants had been issued. It was the Government's contention that the court had no authority to review the habeas corpus proceedings inasmuch as the U. S. Board of Parole had not rendered a final decision relative to the revocation of parole of subjects. U. S. District Judge Underwood, before whom these hearings were held, was critical of the Government's position and indicated that it appeared to him from the record that Subjects Campagna and Gioe had not violated their parole and that therefore the parole violator warrants were invalid.

ACTION

The Bureau is taking no action in connection with these habeas corpus proceedings. When the writs were originally filed, copies of the pleadings were obtained and the Atlanta Division conferred with the USA so that all false allegations involving Bureau personnel were properly refuted. The Atlanta Division is merely following court action in this case so that the Bureau can be fully informed in this regard.

G. I. R. -7

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IGOE VOIDS SUBPENA OF BROWNE AND BIOFF IN RICCA PAROLE CASE

Judge Michael L. Igoe in federal District court yesterday quashed subpenas ordering the appearance before him Monday of George Browne and Willie Bioff, former leaders in the AFL International Alliance of Theatrical Stage Employes, in a habeas corpus hearing involving the parole of Paul Ricca, Capone gang hoodlum.

The subpenas were served two weeks ago, at the request of Atty. William Scott Stewart, who represents Ricca in the parole case, when Browne and Bioff appeared here to testify in a tax case against the estate of the late Frank (The Enforcer) Nitti, who preceded Ricca as head of the crime syndicate.

It was testimony of Browne and Bioff which played a major role in conviction of Ricca, Louis Campagna, Charles Gioe, and other gangsters in 1943 for extortion of more than 1 million dollars from the motion picture industry. The paroles of Campagna and Gioe, granted after they served a third of 10 year sentences, have been revoked and they are in prison. The habeas corpus proceeding has delayed government plans to revoke Ricca's parole.

CHICAGO DAILY TRIBUNE

Oct 13, 1948

ALL INFORMATION CONTAINED
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STANDARD FORM NO.

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI
ATTENTION: MR. A. ROSEN

FROM : SAC, Chicago

SUBJECT: LOUIS CAMPAGNA, was; etal
BRIBERY; PAROLE MATTERS

DATE: October 18, 1948

For the information of the Bureau there is transmitted herewith a clipping from the Chicago Tribune of October 13, 1948, which relates to the captioned matter.

MG
Encl. (1)

1 ENCL

[redacted]

(Attorney General (cc attachment) 11/1/48 CAC)

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COURT TAKES RICCA FIGHT FOR FREEDOM UNDER ADVISEMENT

U.S. Dist. Judge M i c h ael L. Igoe took under advisement the fight of Paul (The Waiter) Ricca to escape re-t u r n to federal prison as a parole violator.

"I'll give you a decision in writing, with my reasons, as soon as possible," he told U. S. A t ty. Otto Kerner Jr. and Defense Atty. William Scott Stewart.

Ricca, with three other ex-associates of Al Capone, was released from prison after serving one-third of a 10-y.e a r term for a $1,800,000 m o vie industry shakedown.

The U.S. Parole Board has charged him with violating the parole.

CHICAGO DAILY SUN-TIMES

Oct 18, 1948

3/6/95 SPSC/CO

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IGOE WILL RULE TODAY ON RICCA FREEDOM PLEA

Mobster Fights Return to Federal Prison.

BY JAMES DOHERTY

Legal questions to be decided this morning by Federal Judge Michael L. Igoe may determine the future of Paul Ricca, gang chief, Otto Kerner Jr., United States attorney, said yesterday. No witnesses are expected to be heard at the court session concerning one of the federal paroles which aroused congressional opposition and are now in the process of being revoked.

Ricca, an immigrant who attained wealth and notoriety here as head of the Capone gang, successor to the late Frank (The Enforcer) Nitti, has appealed to Judge Igoe to save him from being returned to the Atlanta, Ga., federal prison to serve the rest of his 10 year sentence for his part in the extortion of $1,800,000 from Hollywood movie magnates.

Ruling On Habeas Corpus Writ

The ruling today is on a habeas corpus writ issued when Ricca was arrested last July on a warrant issued by the national parole board. If the warrant is held valid, Ricca may be on his way to Atlanta soon afterward.

Igoe indicated last week that he would not permit William Scott Stewart, attorney for Ricca, to submit argument or evidence concerning the legality of the New York trial in which Ricca, Louis Campagna, Charles Gioe, Phil D'Andrea, and others were found guilty of extortion. The court indicated he would brush aside all other contentions by Stewart excepting those pertaining to the right and power of the parole board to issue the warrant for Ricca's arrest.

Ricca, who appears before the court under the name of DeLucia, which he took when he was naturalized, was accused by the parole board of misconduct since his release. The congressional committee headed by Rep. Hoffman (R., Mich.) and of which Rep. Busbey (R., Ill.) is one of the leaders, insisted the paroles should be revoked as having been improperly granted but the Washington authorities sought to put the gangsters back in prison without admitting that their release was improper, the congressmen stated.

Only Ricca Allowed Bail

The parole violation warrant naming Ricca was the first to be issued. Igoe permitted him to remain free on bail pending settlement of legal points. Two other federal judges refused to give the same consideration to Campagna and John Rosselli, who were convicted and paroled with Ricca, and also charged with violating parole. Gioe, another parolee, failed to get a court hearing.

Stewart made several court appeals, including one pending at Atlanta in behalf of Campagna and Gioe, who are back in prison. He has an appeal here from the decision of Judge John P. Barnes which caused Campagna to be put on a train for Georgia. Judge Elwyn Shaw dismissed other Stewart legal maneuvers in behalf of the gangsters.

Last week Igoe quashed subpenas calling for the appearance of George Browne and Willie Bioff in court today as witnesses for Ricca. They were formerly bosses of the International Alliance of Theatrical Stage Employes, the union thru which the Chicago extortioners operated.

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CHICAGO DAILY TRIBUNE
Oct 18, 1948

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ENCLOSURE

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Ricca Resumes Jail Fight

A hearing to decide whether Paul 'The Waiter' Ricca should follow two of his gangster cronies back to prison was scheduled to be resumed Monday before Federal Judge Michael L. Igoe.

Ricca was saved from an immediate return trip to Atlanta penitentiary last June when Attorney William Scott Stewart filed a habeas corpus petition and was granted continuances.

One Of 4 Mobsters

Ricca was one of four Capone gangsters paroled in August, 1947, after they served one-third of 10-year sentences in a $1,800,000 movie extortion case.

The uproar that followed led to a congressional investigation and the suspension, last summer, of the paroles of Ricca, Louis 'Little New York' Campagna and Charles 'Cherry Nose,' Gioe.

No action has been taken on the parole of Phil D'Andrea, who has been reported seriously ill.

Pin Hopes On Writs

Campagna and Gioe, now back in prison, are pinning their hopes on habeas corpus hearings in Atlanta set for Oct. 25.

Secret hearings were reported held last month by the federal parole board on final revocation of their paroles, but the decision has not been announced.

CHICAGO DAILY NEWS
Oct 18, 1948

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ENCLOSURE

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI
ATTENTION: MR. A. ROSEN

DATE: October 19, 1948

FROM : SAC, Chicago

SUBJECT: LOUIS CAMPAGNA, was; etal
BRIBERY; PAROLE MATTERS

For the information of the Bureau there are transmitted clippings from the October 18th issues of the Chicago Tribune, the Chicago Daily News and the Chicago Sun-Times, which relate to the captioned matter.

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Encs. (3)

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DATE 3/6/95 BY SP5 a/cw

STANDARD FORM NO.

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI

DATE: OCT. 20, 1948

FROM : SAC, CHICAGO ATTENTION: MR. ROSEN

SUBJECT: LOUIS CAMPAGNA, WAS; ET AL
BRIBERY-PAROLE MATTER

Attached are clippings pertinent to the captioned case from the October 19, 1948, issues of the Chicago Daily Sun-Times, the Chicago Tribune and the Chicago American.

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Premo-Attorney General
11/1/48
cae
(cc. Attachment)

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Igoe to rule in Ricca case

A ruling as "soon as possible" on whether Paul (The Waiter) Ricca, former Al Capone associate, should return to prison as a parole violator was promised by U. S. Dist. Judge Michael L. Igoe.

Defense Atty. William Scott Stewart had argued for clearing of Ricca, declaring: "The way it looks, he can either go to jail or spend the rest of his life fighting this thing in court."

The judge smiled and said: "I don't know how old Ricca is."

Ricca was among Capone associates sentenced to 10 years for a $1,800,000 movie industry shakedown, and paroled after serving one third of their terms. The government claims he violated the parole by giving a $20,000 wedding reception for his daughter, associating with bad people and not reporting his spending to the parole board.

CHICAGO DAILY SUN—TIMES

Oct 19, 1948

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3/16/95 BY SP5 CAW

IGOE RESERVES RULING; RICCA REMAINS FREE

BY JAMES DOHERTY
(Picture on back page)

Federal Judge Michael L. Igoe reserved his ruling yesterday on the legality of a warrant charging Paul Ricca, Capone gang chief, with violation of the parole by which federal officials freed him after he had served only one third of a 10 year sentence as one of the extortioners who blackmailed Hollywood motion picture producers out of $1,800,000. Meanwhile Ricca, whose rearrest was ordered last June 16, remained free on bail.

Ricca, who was sent from prison on Aug. 13, 1947, along with Louis Campagna, Charles Gioe, and Phil D'Andrea, under "hurry-up" orders from Washington, was accompanied to Igoe's courtroom by his parole agent, Joseph Colosimo, but he was not in custody. His attorney, William Scott Stewart, made a 40 minute argument to Igoe to save Ricca from going back to prison for the remainder of his 10 year sentence.

Igoe To Write Memorandum

"This case has been fully briefed and earnestly argued," said Igoe. "The person who makes the decision should cite reasons for any action he may take. Therefore I will write a memorandum concerning this case and, when it is ready, I will notify counsel."

Deputy marshals were ready to take Ricca to the Atlanta federal prison to join Campagna and Gioe if Igoe so ordered. Instead, Ricca left the courtroom with Stewart, and his $10,000 bond was permitted to stand.

The arrest of Ricca was ordered by the Washington parole office last June after a congressional committee had branded the paroles as "fraudulent" and an outrage against law and order. Rep. Hoffman (R.,Mich.), chairman of the committee, and Rep. Busbey (R.,Ill.), a member, demanded that the paroles of all four be revoked on the ground of fra[redacted] the parole board—to s[redacted] ording to the con-[redacted] charge

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CHICAGO DAILY TRIBUNE
Oct 19, 1948

ALL INFORMATION CONTAINED
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DATE 3/16/95 BY SP5 CAL/AS

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Resume Hearings of Mob Paroles

Rep. Fred Busbey of Chicago has announced resumption of hearings tomorrow, Thursday and Friday in the congressional probe into the parole from federal prison of four Guzik-Ricca-Capone gangsters.

Hearings will be held in Judge Shaw's courtroom in the Federal Courthouse.

The four, paroled after they had served the minimum of their part in a $1,000,000 movie shakedown, are Phil D'Andrea, Louis Campagna, Paul Ricca and Charles Gioe.

THE CHICAGO AMERICAN

Oct 19, 1945

ALL INFORMATION CONTAINED
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DATE 3/16/95 BY SP5 alw

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ENCLOSURE

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI
ATTENTION: MR. A. ROSEN

DATE: October 21, 1948

FROM : SAC, Chicago

SUBJECT: LOUIS CAMPAGNA, was; etal
BRIBERY; PAROLE MATTERS

For the information of the Bureau there is attached a clipping from the Chicago Tribune of October 20, 1948, which relates to the captioned matter.

MG
Enc. (1)

Attorney General (ccc-attachment)
11/1/48
cac

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ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3/6/95 BY SP5 a/cw

VOWS TO EXPOSE 'BIG MONEY' IN GANG PAROLES

Busbey Charges Clark Hinders Probe

BY JAMES DOHERTY

Rep. Busbey (R.,Ill.) yesterday accused United States Atty. Gen. Tom C. Clark and the department of justice of hampering the efforts of a congressional committee to re-imprison four Capone gangsters and expose the "big money men" back of the federal paroles handed four men convicted of a $1,800,000 extortion. Busbey asked Rep. Hoffman (R.,Mich.), chairman of the committee, to come to Chicago for a new investigation.

The Chicago congressman, who represents a southwest side district, was in court Monday when Paul Ricca, gang leader, was given an extension of the freedom which has been under congressional inquiry for 14 months. Ricca, Louis Campagna, Charles Gioe, and Phil D'Andrea were given "expedited" paroles after serving one-third of their 10 year sentences and thus far efforts to put Ricca back in prison have met with fierce resistance, the congressman asserted.

Vows Truth Will Come Out

"The truth about these paroles is coming out," Busbey said. "Tom Clark is doing his best to stop it but we will soon have a new attorney general and a new department of justice and I, for one, will spend all the time needed to lift the Truman-Clark iron curtain that now shields the parole board.

"If the parole board thinks that putting these gangsters back in prison will end the investigation they have another think coming. Somebody is going to be prosecuted for the gross miscarriage of justice which liberated four menaces to society onto Chicago and has attempted to throw a protecting influence over them."

Busbey said Clark has restrained the FBI from aiding the congressmen. He said the congressional committee demanded the revocation of the paroles of the four gangsters on the ground of fraud but the parole board, which is under Clark's direction and jurisdiction, was "playing a game" with congress.

Even Re-Arrest Was Mystery

The re-arrest of Ricca was timed to suit the convenience of Ricca's lawyer who immediately obtained a writ of habeas corpus on which Ricca has been free for the last four months, Busbey charged. The re-arrest of Louis Campagna and Gioe was accomplished under mysterious circumstances and congress was refused the right to have an observer present when the parole board gave a "hearing" to the re-imprisoned gangsters, Busbey complained.

"From the very beginning, the parole board members and most of their higher-ups have acted in a suspicious manner in regard to the release of the four Chicago criminals and our efforts to put them back to serve the rest of their sentences," he said in announcing his appeal to Hoffman. "We are nearing the truth about who engineered this prison delivery, and we are facing terrific opposition."

CHICAGO DAILY TRIBUNE

Oct 20, 1948

ENCLOSURE

1930

GRAND JURORS ASK TO REVIVE PAROLE INQUIRY

Want to Hear Evidence of New Witnesses

BY JAMES DOHERTY

Several members of a special United States grand jury assigned a year ago to investigate certain phases of the federal paroles granted four Capone gangsters called on United States Atty. Otto Kerner Jr. yesterday and asked that their inquiry be resumed. They asked that several newspaper reporters be subpenaed.

The jurors, who were impaneled a year ago and served as the regular November (1947) grand jury in the United States courthouse, and then continued in service as a special grand jury, were said to have been asking what is expected of them.

Still serving on the jury are 12 women and seven men, the rest having been excused. Henry W. Buckholz, 2856 Dickens av., is foreman.

Busbey Wants Witnesses Called

Rep. Fred E. Busbey, Republican who represents a southwest side Chicago district and has been active in the congressional inquiry into the four gang paroles, gave the jurors the names of several persons he believed should be called as witnesses.

It was known that Busbey wanted Howard Bailey, Nash Adams, and May Belcher, of Dallas, Texas, and Peter Fosco and Ned Bakes of Chicago, called before the grand jury. Fosco is Democratic boss of the 1st ward in Chicago and Bakes has been one of Fosco's lieutenants, Busbey said.

After the federal court hearing Monday in which Judge Michael L. Igoe took under advisement the questions of the legality of a parole violation warrant issued for Paul Ricca, gang chief and one of the four whose paroles are under investigation, Busbey charged United States Atty. Gen. Tom C. Clark has been hampering the efforts of congressmen to find out about the cash paid for the paroles.

Clark Selected Parole Board

Busbey's charges are believed to have spurred the grand jurors into their action of yesterday. Clark appointed all present members of the federal parole board and has supervision over them and their activities. In addition Clark is the superior of Prosecutor Kerner and the special grand jury is under the direction of Clark as well as of Kerner, it was explained.

The Texans he wants as witnesses are friends of Maury Hughes, lawyer, who, Busbey charges, has admitted receiving $15,000 for having the attorney general's office dismiss an indictment that stood in the way of the paroles. Hughes is, admittedly, a close friend of Clark, Busbey added.

Busbey said Bakes is a friend of Hughes and the other Texans, as well as of some of the parolees. Democratic Ward Committeeman Fosco, who is also a powerful labor boss, is a close friend of Parolee Ricca, according to testimony given the committee, Busbey pointed out.

Protests Refusal To Call Pair

"Kerner told me he didn't think Bakes and Fosco knew anything about the paroles so he wouldn't call them before the jury," Busbey announced. "I still think they should be called."

The grand jury voted one indictment in its year of existence. Atty. Eugene Bernstein, 25th ward Democratic vote broker, and Tony Accardo, assistant gang chief, were charged with conspiracy.

This indictment prevented the congressional committee from questioning Accardo about his secret visits to Ricca in prison and about his part in raising $128,000 for a "settlement" of income taxes levied against Ricca and Louis Campagna, Busbey explained. It also prevented the grand jurors from questioning them about the "tax funds" which supposedly came from Cook county slot machine revenue, according to Busbey.

"I'm glad to hear the special grand jury is getting curious about why it is in existence and why it has not heard more witnesses," Busbey said. "It's a start in the right direction."

CHICAGO DAILY TRIBUNE
Oct 21, 1948

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BUSBEY HAILS PROBE ACTION

Effectiveness of congressional committee investigations when other governmental agencies fail, was cited today by Congressman Fred E. Busbey of Chicago.

Commenting on the action of a Philadelphia jury which on Friday convicted two AFL labor bosses and their union for extortion of tribute from Philadelphia's Dock st. merchants, Rep. Busbey said:

"The House committee on appropriations appointed various sub-committees to inquire into palpable violations of the laws which govern us.

One of the committees, of which Clare Hoffman (R) is chairman, and of which I am a member began the investigation into the Dock st. case.

"If it wasn't for this committee which uncovered the mass of evidence, there would have been no prosecution of these extortionists. The matter had previously been reported to the attorney-general, who had taken no action whatever."

He added that the paroled Capone-Guzik-Ricci henchmen, Louis Campagna and Charles Gioe, are back in the penitentiary at Atlanta, Ga., through the efforts of sub-committee of the House appropriations committee.

DATE 3/6/95 SRS a/cw

THE CHICAGO AMERICAN
Oct 24 1948

1931

BUSBEY PUSHES WITNESS SEARCH IN PAROLE CASE

Gets New Warrants for Guzik and Others

BY JAMES DOHERTY

Subpenas that will be continued in force until served were obtained yesterday by Rep. Fred E. Busbey (R., Ill.) for gang and political figures sought as witnesses in the Capone gang parole investigation. Busbey said he had no doubt they will be found after Tuesday's election.

Named in the subpenas were John Guzik, top man of the vice and gambling syndicates; Eddie Vogel, slot machine king; Ned Bakes, a mysterious politician allied with Peter Fosco, 1st ward Democratic boss; Anthony (Tough Tony) Capezio, and others.

Rep. Clare E. Hoffman (R., Mich.), chairman of the house committee on expenditures and head of the subcommittee which spent a year in the hunt for the pay-off principals in the paroling of Paul Ricca, Louis Campagna, Charles Gioe, and Phil D'Andrea, sent subpenas to Busbey.

"Ryan" To Be Unmasked

Arrangements were made for a hearing in Chicago by the congressional committee on Nov. 4, when the unmasking of "Mike Ryan," the man said to have paid $15,000 to Maurice Hughes, lawyer friend of Atty. Gen. Tom C. Clark, will be the order of business.

"If the men we want to question are not found in time for the hearing, we'll start a huge manhunt for them," said Busbey. "The election of Dewey as President will mean that the federal bureau of investigation will be on our side, and will help instead of hinder as it has done in the past.

"If United States Marshal Thomas P. O'Donovan's office does not locate these men for us, men appointed by Dewey will do so. These persons should realize that they can't run away from congress."

Bakes Found And Freed

Subpenas for Guzik, Vogel, and Bakes, given to Marshal O'Donovan on Oct. 14, called for their appearance before the congressional committee on Oct. 23, Busbey said. Bakes was located in Los Angeles and was under arrest for a short time, but was permitted to leave before the marshal's office could get into action, the congressman said.

"I have been told that Guzik and Vogel have been seen in Chicago frequently in the last few weeks," said Busbey. "If we don't meet them on Nov. 4, we will meet them later, perhaps in Washington."

CHICAGO DAILY TRIBUNE

Oct 28, 1948

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ENCLOSURE

58-2000-193

Hunt 'Key' Parole Figure After He's Freed in Slipup

A manhunt is under way in Los Angeles for Ned Bakes, 43, 'mystery man' in the Capone parole investigation, who was under arrest there briefly Thursday and then released.

According to Representative Busbey (Rep., Ill.), Bakes is the 'Mike Ryan' who carried $15,000 to Attorney Maury Hughes as a fee for paving the way for the parole of four Capone hoodlums.

Busbey wants to question Bakes about the source of the $15,000. He believes this may be the key to the parole mystery.

Seized in Hollywood

Bakes was picked up on suspicion Thursday by police in Hollywood.

He said he was on vacation from Chicago. A gun was found in his motel. He said he is a deputy sheriff.

The Los Angeles police asked Chicago police if Bakes was wanted for any crimes here. While the investigation was being made in Chicago, the Los Angeles police released him, believing they would hear nothing from Chicago.

Identifies Self

Bakes told the arresting officers his name was Ignacious 'Bakes' Spacchesi, and said he was in the used car business at 1041 Harrison st.

While Deputy Chief of Detectives Andrew Aitken was checking to see if Spacchesi, or Bakes, was wanted here, he received a call from Busbey.

Busbey said a congressional subpoena was out for the prisoner, and asked Aitken to notify Los Angeles to hold him.

But, when Aitken called Los Angeles, Bakes had been released.

Leaves Car Behind

Los Angeles police went to his motel early Friday and found Bakes had checked out. He left behind a 1948 Cadillac.

Lt. Bert Jones of the Los Angeles police told the Daily News by phone, 'We didn't get any word from Chicago, so we released the man.'

The message from Los Angeles was received here at 4:20 p.m., and a request to hold Bakes was phoned to Los Angeles several hours later, Aitken said.

CHICAGO DAILY NEWS
Oct 22, 1948

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ENCLOS[illegible]

NED BAKES
Object of manhunt.

Capture, Then Lose 'Key' in Mob Parole

BY CAPT. TOM CONNELLY AND LT. BILL DRURY

Los Angeles police and the FBI have launched one of that city's biggest manhunt's after learning they let Ned Bakes of Chicago, Guzik-Ricca-Capone gang "mystery man," slip out of their hands.

Bakes had been hunted more than two months by U.S. marshals and the FBI on a subpena issued by the Congressional committee investigating the "quickie" paroles of four Chicago and one Los Angeles mobsters in August, 1947.

DETAILS AMAZING

Here are the amazing details of Bakes' arrest, his release, and frantic efforts of Chicago police to have him held--too late.

Lt. William Burns of Los Angeles police, and members of the Hollywood burglary detail received information several days ago a well-dressed man with plenty of money was appearing in the city's better night spots.

They got a "tip" the man was Bakes, who had been mentioned in the Willie Bioff-George Browne million-dollar movie shakedown for which Paul (The Waiter) Ricca, Louis (Little New York) Campagna, Charles (Cherry Nose) Gioe and Philip D'Andrea of Chicago, and John Rosselli of Los Angeles, had been sent to Federal prison--and paroled after serving a third of their 10-year sentences.

ADMITS IDENTITY

They watched him several nights as he spent money

Reveal How Bakes Slid Through Net

(Continued from Page 1.)

they entered their 1948 Cadillac.

At the police station, "Bakes" gave his name as "Ignatius Spacchesi", alias Bakes, 43, of Chicago.

Questioned about a .25 caliber automatic in his possession, "Spacchesi" said he was a former Cook County ty sheriff, and exhibited ty's card.

deputy called the Chicago a bureau, asked whe- Ignatius Spacchesi" anted here for the Ja- s M. Ragen murder or any er crime. He also asked icago police to check on e pistol--factory number 3696.

Spacchesi" said he lived 118 Ashland av. Chicago. lice have no record under e name "Spacchesi."

But they found 1118 S. shland av. was the address Ned Bakes.

eputy Detective Chief An- w Aitken notified Los geles police to send finger- nts and pictures.

RDERS: 'HOLD HIM!'

wo minutes later con- ressman Busbey called Ait- ken. Given a description as provided by Los Angeles, he said:

"That's the man subpenaed by our committee. Tell them to hold that man, don't let him get away."

Meanwhile, after coast detectives has questioned Spacchesi," three men who said they were U. S. Alochol unit agents entered. One said Bakes had been sentenced to federal prison for five years in 1939, and added:

"Look, we were in Chicago when that happened. We pinched Ned Bakes. This guy is not the man."

With this, and Chicago notification that "Ignatius Spacchesi" was not wanted, Los Angeles police released him.

Only two minutes after he walked out, Aitken got his call through for them to "hold that man."

The manhunt was quickly launched. Fifteen special squads were sent to night spots, hotels, railroad stations and airports to block his get-away. They want to question him about:

The Guzik-Ricca-Capone gang chiefs' parole "pay-off"--the man who handled the money for lawyers' fees and expenses, who gave his name as "Mike Ryan," he was known as "the Chicago Mystery Man."

The James M. Ragen murder, unsolved after more than two years.

STUDY SIEGEL LINK

Whether the man is a "gang" emissary, to find out what information Chief of Police Clinton H. Anderson of Beverly Hills, has on the identity of the murderer of Bugsy Siegel; after Siegel had received a $300,000 payoff because he threatened to tell what he knew about the crime syndicate's nationwide operations.

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THE CHICAGO AMERICAN
Oct 27 1947 Ed

669

PAROLE HEARING WITNESS FREED IN HOLLYWOOD

Confused in Ned Bakes Case, Police Say

BY SEYMOUR KORMAN
(Chicago Tribune Press Service)

Los Angeles, Oct 22—Complete confusion and red faced embarrassment was the state of federal and local law enforcement officials here today after a man believed to be Ned Bakes, wanted to testify on the movie shakedown and Capone parole scandals before a congressional committee in Chicago, was allowed to walk away free yesterday from the Hollywood police station. The police did keep his unregistered .25 caliber gun, but made no effort to book him for having the weapon illegally.

Bakes, 43, came here three weeks ago with Mr. and Mrs. Frank Armando of Chicago in a big black Cadillac registered to the Armandos. They moved into a motel at 5270 Sunset blvd., where Bakes gave his name as Ignatius Spagghesi. Rose Pellegrino, 25, who said she was Bakes' girl friend from Chicago, arrived by plane from Chicago eight days ago and also moved into the motel.

Picked Up For Questioning

Sgt. James Ellis of Hollywood picked up Bakes yesterday for questioning. Bakes gave his address as 1118 S. Ashland av., Chicago. The police had been tipped that Bakes might know something of the slaying of Benjamin (Bugsy) Siegel, a gangster, in Beverly Hills, Cal., in June, 1947, and also about the murder of James M. Ragen, Chicago race news operator.

Bakes denied any knowledge of the killings. Ellis took away Bakes' gun and called federal alcohol tax unit agents. Two of these agents, who said they had known a Ned Bakes in Chicago, viewed the suspect and said he was not the man.

The agents said today they probably had another Ned Bakes in mind, their man having been released from Leavenworth penitentiary a year ago after serving a sentence for bootlegging.

Releases Before Reply

The Bakes picked up in Hollywood said he had been a Cook county deputy sheriff to May, 1946. Hollywood police said they queried Chicago police on whether Bakes was wanted but released him before receiving a reply. The reply late last night was that Chicago police didn't want Bakes but that there was a federal subpena out for him.

Hollywood police then went to the motel but Bakes and Miss Pellegrino had vanished. Asked today why they hadn't kept Bakes in custody until they heard from Chicago police or why they hadn't charged him with illegal possession of a deadly weapon, Hollywood's finest answered: "Everything is so confused."

It was indicated that for some reason or other Hollywood police were miffed at their Chicago colleagues.

A few Hollywood policemen were posted at the motel early today but were later withdrawn and it appeared local authorities have lost interest in Bakes.

Unable To Explain

Meanwhile, the alcohol tax unit agents were unable to explain why they hadn't known that another department of the federal government was interested in Bakes. The FBI and the United States marshall's office here said they knew nothing of Bakes nor were they searching for him.

Late today the marshall, Robert Carr, said he had not received word from the marshall in Chicago that Bakes was wanted.

CHICAGO DAILY TRIBUNE
Oct 23, 1948

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ENCLOSURE

U.S. Can't Find Guzik, Vogel in Parole Quiz

BY CAPT. TOM CONNELLY
AND LT. BILL DRURY

Jake (Greasy Thumb) Guzik, Guzik-Ricca-Capone syndicate kingpin, and Eddie (Dutch) Vogel, chief of the syndicate's slot machine operations, were being hunted today by deputy U. S. Marshals.

They have been sought since Monday to appear before the Congressional subcommittee investigating the "quickie" federal paroles of four Chicago chiefs of the mob, Paul (The Waiter) Ricca, Louis (Little New York) Campagna, Charles (Cherry Nose) Gioe and Philip D'Andrea.

Search for Guzik and Vogel was revealed as Peter Fosco, 1st Ward Democratic committeeman, former county commissioner and long-time labor chief union chief, was due to appear before the subcommittee in the courtroom of Federal Judge Shaw.

The subpena servers found Fosco several days ago.

But they haven't been able to find "Greasy Thumb" or "Dutch" whose long-time immunity from arrest or prosecution hasn't been interrupted since we took Guzik into custody for questioning in the James M. Ragen murder, and he told us he'd get our jobs--and did.

Fosco was served with the subpena as FBI and treasury agents joined Los Angeles police in an intensified search for Ned Bakes, Fosco's political lieutenant, who slipped out of that city's police hands late Thursday after he had been arrested.

Congressional committeemen, headed by Reps. Hoffman of Michigan, and Busbey of Chicago, admitted the subpenas for Guzik and Vogel

(Continued on Page 2.)

U.S. Can't Find Guzik, Vogel

(Continued from Page 1.)

had been in the marshal's hands since Monday.

Judge Shaw's courtroom had been reserved by the committee for Wednesday, Thursday, Friday and today of this week for hearings on a lot of new developments in its investigation of the paroles of the four syndicate chiefs after they had served the minimum one-third of their 10-year sentences for a $1,000,000 movie shakedown.

They had hoped, they said, to have on hand not only Fosco, but Guzik, Vogel, Bakes and some other witnesses for whom subpenas had been issued, but whose names were not revealed.

But the subpenas were not served, and the hearings were continued from day to day--until Fosco was found. He was ordered to appear at 10 a.m. today.

AN OLD STORY

When the committee learned the search for Bakes, wanted for grilling as the possible "mystery man" Mike Ryan named as the pay-off man in the paroles, had flivvered, on top of the inability of the marshals to find Guzik and Vogel, one member remarked:

"Something always seems to happen when we want to question somebody about those paroles."

Disappearing with Bakes at Los Angeles was Rose Pellegrino, 25, who flew from Chicago to Los Angeles eight days ago and registered at a motel where Bakes, Frank Armando and his wife, also of Chicago, had appeared three weeks ago.

They arrived in a big black Cadillac sedan, with Illinois license plates issued to Armando.

PAIR, CAR VANISH

When Los Angeles police, FBI and treasury agents rushed to the motel, after Bakes had been freed, they found the Armandos still there. But Bakes, Rose and the big Cadillac were gone.

Bakes, they learned, had wired a friend in Chicago also named Pelligrino, for more money.

Subpenaes had been issued by the committee for Fosco and Bakes last [illegible], at the hearings here into the Ricca parole, but they "couldn't be found," the marshal's office reported.

GUN SEIZED

They were registered at that time, for voting purposes, from the same address--1118 S. Ashland av

That was the address Bakes gave when he was taken into custody in Los Angeles, though he gave his name then as Ignatius (Bakes) Spaccesi.

He exhibited identification as a former Cook county deputy sheriff -- 1946--and had a .25 caliber automatic in his motel quarters. Police kept the automatic.

THE CHICAGO AMERICAN
Oct 23, 1948

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PAROLE PROBERS TO QUIZ FOSCO AFTER ELECTION

Delay Hearing to Avoid 'Political' Tinge

BY JAMES DOHERTY

Peter Fosco, who became business agent of the sewer and tunnel workers' union almost as soon as he arrived in this country in 1913, took time out yesterday from his duties as Democratic boss of the 1st ward to answer a congressional subpena. However, thru no fault of Fosco's but possibly be-

Rep. Busbey (R., Ill.) and Peter Fosco (right). (TRIBUNE Photo)

cause of the conduct of his political assistant, Ned Bakes, the telling of the story of the immigrant's rise to power and wealth thru labor unions and ward politics was delayed.

Rep. Fred E. Busbey (R., Ill.), representing a southwest side Chicago district, said he and his colleagues want to know what help Fosco gave to Paul Ricca, chief of the Capone gang and one of the four federal parolees whose delivery from prison has resulted in 1 million dollars in investigation costs.

Successor To Hinky Dink

However, the congressman said, they hesitated to keep Fosco from serving his party and his constituents in the office once held by Michael (Hinky Dink) Kenna, who is best remembered in connection with 1st ward balls of an earlier generation.

Deputy United States marshals were unable to find Fosco when he was last wanted as a witness by the congressional committee headed by Rep. Hoffman (R., Mich.). The committee spent a year in the search for the pay-off factors in the paroling of Ricca, Louis Campagna, Phil D'Andrea, and Charles Gioe. The gangsters had been set free after they had served 3½ years in prison on conviction of extorting $1,800,000 from Hollywood motion picture producers. The court had fixed their punishment at 10 years' imprisonment.

Fosco, however, was found in his loop political headquarters at 33 N. La Salle st. by a deputy marshal last Wednesday and handed a subpena calling for his appearance before the committee Saturday. Fosco was said to have remarked that he didn't want any interference in his plans for the welcome here to be given President Truman Monday as he moves around Fosco's bailiwick—the loop and near southwest side.

Hearing Postponed

"It might be that our invitation to Fosco might be considered by some as political," Rep. Busbey announced, "so we are postponing the hearing until after the election. We plan to meet here again on Nov. 4 and at that time we hope to have Bakes as a witness as well as Fosco."

"I think we ought to have Maury Hughes present on that occasion," said Rep. Hoffman, who is chairman of the powerful house committee on executive expenditures and chairman of the subcommittee assigned to find out about expenditures for the paroles of the Chicago gangsters.

Hughes, a Dallas, Tex., attorney and close personal friend of Atty. Gen. Tom C. Clark, had told the committee he was successful in having Clark's office lift an obstacle to the gang parole. Hughes said he received $15,000 for this service.

Reports Visits In '46

The committee has reports stating that Bakes, the west side political assistant to Fosco, had been making friendly visits to Hughes in Texas and elsewhere as far back as May, 1946, at the time Hughes said he was first contacted by a friend of Paul Ricca, who hired him to have a mail fraud indictment against Ricca, Campagna, Gioe, and D'Andrea dismissed, Rep. Busbey recalled.

"Inasmuch as Ricca told us he was a close friend of Fosco, the big labor boss, and Fosco's assistant, Bakes, is classed as a friend of Hughes, who is a friend of Atty. Gen. Clark, we want to establish the parts played by Fosco and Bakes, if any, in hiring or paying Hughes.

"But to avoid the appearance of politics we are willing to wait until Nov. 4 to hear Fosco and Bakes."

Try To Find Bakes

The congressmen said a new effort to locate Bakes would have to be made as it appeared he had "rooked" Hollywood police into freeing him Thursday night a few minutes before "the papers arrived." The "papers" contained notice that United States Marshal Thomas P. O'Donovan at Chicago held a subpena calling for Bakes' appearance before the congressional committee yesterday.

CHICAGO DAILY TRIBUNE
Oct 24, 1948

3/6/95 SPSC/AE

U.S. Can't Locate Guzik-but Police Heroes Bump Into Him All Over Town

Gang Boss Seen Strolling In Loop

BY CAPT. TOM CONNELLY AND LT. BILL DRURY

Jake (Greasy Thumb) Guzik, head of the Guzik-Ricca-Capone syndicate, and Eddie (Dutch) Vogel, chief of the GRC slot machine division, who would not be found by Deputy U. S. marshals for a Congressional committee hearing yesterday, are not that scarce---believe us.

We have seen Guzik in the loop three times within the month. The last time---and this will jar you!---was last Monday, the day the subpoenas were handed to the deputy marshals, and where was Guzik at the time? Walking leisurely at Monroe and Clark, only a whisper from the headquarters of the Chicago Crime Commission.

Gave Jury List of Hangouts

On the two other occasions, Guzik was in the loop as usual. We saw him sauntering into a hotel near Michigan av. and 7th st., and popping out of a cab with his bodyguard, Gus (Shotgun) Alex, and entering a health club near Monroe and Clark.

Moreover, when we testified before the federal grand jury last Thursday in connection with the quickie paroles of the four GRC gangsters, we gave the jury a list of hotels, restaurants and other places where Guzik and Vogel are regular visitors.

It seems odd those addresses couldn't have been turned over to the deputy marshals "searching" for Guzik and Vogel.

The subpenas were issued at the request of Rep. Busbey (R) of Illinois, member, and Rep. Hoffman (R) of Michigan, chairman of the congressional subcommittee.

Busbey Questions Fosco

Like the grand jury, the committee has been trying to find out who was paid and drea.

Rep. Busbey appeared at the U.S. Courthouse to question them--but no Guzik, no Vogel. The only person the marshals had been able to serve was Peter Fosco, 1st Ward Democratic committeeman, former county commissioner and long-time labor union chief.

Questioned by Rep. Busbey, Fosco gave his address as 916 S. Ashland av., and said his business and political offices are at 33 N. LaSalle st., and 105 W. Madison st. Rep. Busbey then continued the hearing to Nov. 4, "to prevent any howling that this is politics."

Athletic Club Hangout

Also under subpoena by the committee is Fosco's lieutenant, Ned Bakes, who slipped away from Los Angeles police during the week and for whom FBI and U.S. Treasury agents and Los Angeles police are now making a search.

For the help of the deputy marshals here, Guzik and Vogel won't be found in any dives.

Their tastes take them to the nicest places--the exclusive hotels and high-priced restaurants.

Guzik is now living in an apartment on Chestnut st., not far from the drive, and can be seen every day in that neighborhood.

Guzik No Athlete

Every day at 2 p.m., excepting Sunday, he arrives at the health club for a couple of non-athletic hours.

Guzik is no athlete; not even a good spectator. But the health club is a hangout for politicians and officials with whom Guzik has regular business.

The politicians and officials

His Hangouts Submitted to Grand Jury

strip down for steam baths and massages, but not Greasy Thumb Jake. He never even takes off his hat while he's there.

His is strictly a business visit, and now that election is so near, the urgency of this business has increased.

Guzik also hangs around in a building at the north end of the loop. In fact he has an office there. Last March when a Washington grand jury gave us a subpoena for another syndicate hood, Murray (The Camel) Humphreys, we went right to Guzik's office in the building and there was Humphreys.

Guzik is feeling the heat now, but he can't do anything about it.

So Guzik is around--very much so. And find Guzik and you've got Vogel, who is always nearby.

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ENCLOSURE

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cc: MR. ROSEN
MR. MC CABE
MR. EVANS

RECORDED - 42

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NOVEMBER 4, 1948 URGENT

SAC, LOS ANGELES AND CHICAGO

LOUIS CAMPAGNA, WAS, ET AL, BRIBERY, PAROLE MATTERS. THE BUREAU IS IN RECEIPT OF A LETTER FROM THE ASSISTANT TO THE ATTORNEY GENERAL PEYTON FORD WHICH REFERENCES REPORTS SA FREDERICK E. RODERICK AT LOS ANGELES DATED APRIL TWO AND JUNE ELEVEN, NINETEEN FORTY EIGHT. MR. FORD DESIRES INVESTIGATION CONDUCTED TO DETERMINE WHETHER THE ALLEGED GAMBLING ESTABLISHMENT ACROSS THE STREET FROM THE EAGLE-LION STUDIOS REFERRED TO IN REFERENCE REPORT DATED APRIL TWO IS LOCATED IN THE SAME PREMISES AS OFFICE WHICH SUBJECT JOHN ROSELLI WAS TO ESTABLISH AT ONE THOUSAND NORTH FULLER AVENUE AS NOTED IN SAME REPORT. MR. FORD FURTHER REQUESTS THAT INVESTIGATION BE CONDUCTED TO DETERMINE WHETHER ROSELLI HAD BEEN ASSOCIATED OR CONNECTED IN ANY WAY WITH THE GAMBLING ESTABLISHMENT. LOS ANGELES CONDUCT THE INVESTIGATION REQUESTED IMMEDIATELY AND SUTEL BUREAU, ATTENTION ASSISTANT DIRECTOR A. ROSEN.

HOOVER

CAB:MS

58-2000

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 2/16/95 BY SP5 alw

Mr. Tolson
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Tele. Room
Mr. Nease
Miss Gandy

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

NOV 4 - 1948

TELEMETER

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U.S. Dept. of Justice
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STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

PF:WH:co

TO : J. Edgar Hoover
Director, Federal Bureau of Investigation

DATE: October 29, 1948

FROM : Peyton Ford
The Assistant to the Attorney General

SUBJECT: Louis Campagna, was, et al.
Bribery; Parole Matters

Reference is made to the Bureau's report of 4/2/48, Los Angeles, by Special Agent Frederick E. Roderick. The third paragraph on page 6 of the foregoing report states that Norman Kellogg, plant protection manager at Eagle-Lion Studios, had received information that a group of unknown individuals were setting up a gambling house across the street from the Eagle-Lion Studios, and that Bryan Foy had told Kellogg to "lay off" with respect to Kellogg's investigation of the matter.

The first paragraph on page 2 of the foregoing report advises that a confidential informant indicated that John Roselli would, in the future, have offices at 1000 North Fuller Avenue, which is immediately across the street from the main office of the Eagle-Lion Studios.

The report of Special Agent Roderick of 6/11/48, page 2, fifth paragraph, indicates that Roselli maintained an office at 1000 North Fuller Avenue until 6/5/48.

It is requested that the Bureau conduct an investigation for the purpose of determining whether the alleged gambling establishment was at the same address as Roselli's office on North Fuller Avenue, and whether Roselli has been associated or connected in any way with the alleged establishment.

RECORDED - 42 | 58-Unrec.
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The Attorney General

November 9, 1948

Director, FBI 58-2000-1934

RECORDED - 41

LOUIS CAMPAGNA, was; et al
BRIBERY; PAROLE MATTERS

For your additional information in this matter I am enclosing herewith photostatic copies of newspaper articles published at Chicago between October 25, and October 28, 1948.

Enclosures

CAE:mep
58-2000

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
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Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI
ATTENTION: MR. A. ROSEN

DATE: October 28, 1948

FROM : SAC, Chicago

SUBJECT: LOUIS CAMPAGNA, was; etal
BRIBERY; PAROLE MATTERS

For the information of the Bureau there is attached a clipping from the Chicago Tribune of October 28th, which relates to the captioned matter.

MG
Enc. (1)

RECORDED - 41

INDEXED - 41

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 3/6/95 SP5 a/aw

BUSBEY PUSHES WITNESS SEARCH IN PAROLE CASE

Gets New Warrants for Guzik and Others

BY JAMES DOHERTY

Subpenas that will be continued in force until served were obtained yesterday by Rep. Fred E. Busbey (R., Ill.) for gang and political figures sought as witnesses in the Capone gang parole investigation. Busbey said he had no doubt they will be found after Tuesday's election.

Named in the subpenas were John Guzik, top man of the vice and gambling syndicate; Eddie Vogel, slot machine king; Ned Bakes, mysterious politician allied with Peter Fosco, 1st ward Democratic boss; Anthony (Tough Tony) Capezio, and others.

Rep. Clare E. Hoffman (R., Mich.), chairman of the house committee on expenditures and head of the subcommittee which spent a year in the hunt for the pay-off principals in the paroling of Paul Ricca, Louis Campagna, Charles Gioe, and Phil D'Andrea, sent subpenas to Busbey.

"Ryan" To Be Unmasked

Arrangements were made for a hearing in Chicago by the congressional committee on Nov. 4, when the unmasking of "Mike Ryan," the man said to have paid $15,000 to Maury Hughes, lawyer friend of Atty. Gen. Tom C. Clark, will be the order of business.

"If the men we want to question are not found in time for the hearing, we'll start a huge manhunt for them," said Busbey. "The election of Dewey as President will mean that the federal bureau of investigation will be on our side, and will help instead of hinder as it has done in the past.

"If United States Marshal Thomas P. O'Donovan's office does not locate these men for us, men appointed by Dewey will do so. These persons should realize that they can't run away from congress."

Bakes Found And Freed

Subpenas for Guzik, Vogel, and Bakes, given to Marshal O'Donovan on Oct. 14, called for their appearance before the congressional committee on Oct. 23, Busbey said. Bakes was located in Los Angeles and was under arrest for a short time, but was permitted to leave before the marshal's office could get into action, the congressman said.

"I have been told that Guzik and Vogel have been seen in Chicago frequently in the last few weeks," said Busbey. "If we don't meet them on Nov. 4, we will meet them later, perhaps in Washington."

CHICAGO DAILY TRIBUNE
Oct 28, 1948

3/6/95 SRSA/(illegible)

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

NOV 4 - 1948

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LOUIS CAMPAGNA, WAS, ET AL, BRIBERY, PAROLE MATTERS. THE BUREAU IS IN RECEIPT OFA LETTER FROM THE ASSISTANT TO THE ATTORNEY GENERAL PEYTON FORD WHICH REFERENCES REPORTS SA FREDERICK E. RODERICK AT LOS ANGELES DATED APRIL TWO AND JUNE ELEVEN, NINETEEN FORTY EIGHT. MR. FORD DESIRES INVESTIGATION CONDUCTED TO DETERMINE WHETHER THE ALLEGED GAMBLING ESTABLISHMENT ACROSS THE STREET FROM THE EAGLE-LION STUDIOS REFERRED TO IN REFERENCE REPORT DATED APRIL TWO IS LOCATED IN THE SAME PREMISES AS OFFICE WHICH SUBJECT JOHN ROSELLI WAS TO ESTABLISH AT ONE THOUSAND NORTH FULLER AVENUE AS NOTED IN SAME REPORT. MR. FORD FURTHER REQUESTS THAT INVESTIGATION BE CONDUCTED TO DETERMINE WHETHER ROSELLI HAD BEEN ASSOCIATED OR CONNECTED IN ANY WYXXX WAY WITH THE GAMBLING ESTABLISHMENT. LOS ANGELES CONDUCT THE INVESTIGATION REQUESTED IMMEDIATELY AND SUTEL BUREAU, ATTENTION ASSISTANT DIRECTOR A. ROSEN.

3/6/95 SPSA/aw

HOOVER

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STANDARD FOR NO. 64

Office Memorandum · UNITED STATES GOVERNMENT

TO : Director, FBI
ATTENTION: MR. A. ROSEN

DATE: October 28, 1948

FROM : SAC, Chicago

SUBJECT: LOUIS (P) CAMPAGNA; was, etal
BRIBERY; PAROLE MATTERS

For the information of the Bureau there are transmitted herewith clippings from the October 27th issues of the Chicago Tribune, the Chicago Sun-Times and the Chicago Herald-American.

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Encs. (4)

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ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 3/6/95 SPSC/AW

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Campagna, Gioe Back in Prison

(Special to The Herald-American.)

ATLANTA, Ga., Oct. 27--Two Chicago high-ups of the Guzik - Ricca - Capone mob were back in Atlanta Federal prison today, U. S District Judge E. Marvin Underwood denied them freedom on bail while he decides whether to release them on habeas corpus writs from their imprisonment on parole violation charges.

The pair, Louis (Little New York) Campagna and Charles (Cherry Nose) Gioe, enjoyed a brief respite from their calls, though in custody of guards, while Judge Underwood yesterday heard arguments by their attorney.

William Scott Stewart told the court that Campagna and Gioe will not try again for release "if this court rules against them--this is their court of last resort."

Campagna and Gioe were released on parole in August, 1947, with Paul (The Waiter) Ricca and Philip D'Andrea, also Chicago mob leader, after they had served one-third of their 10-year prison sentences for a $1,800,000 movie shakedown. They were re-arrested in July and returned to prison. Ricca also was re-arrested, but his return to prison was halted by habeas corpus proceedings.

THE CHICAGO AMERICAN

Oct 27, 1948

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 3/16/95 BY SP2 alsw

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OK Accardo prison visit

Attorneys for Tony Accardo won permission for him to look at names he signed--or did not sign--in the visitors' book at Leavenworth prison.

Accardo went there under a fake name, the government charges, to visit Louis Campagna, his former pal in handbooks, slot machines and other enterprises.

"Maybe somebody else signed the book," said Atty. Harry A. Biossat in getting U. S. Dist. Judge Walter J. LaBuy's permission.

Accardo is under indictment with Atty. Eugene Bernstein for falsifying names in connection with the visits.

CHICAGO DAILY SUN—TIMES

Oct 27, 1948

5/6/95 SPS a/aw

Parolees blame politics

Atlanta, Ga.--"Ambitious Republicans" were accused of trying to put Louis (Little New York) Campagna and Charles (Cherry Nose) Gioe back in prison.

"They pressured the U S Parole Board to revoke the paroles of my clients," Atty. William Scott Stewart, Chicago, told U. S Dist Judge E. Marvin Underwood.

Prosecutors in the case refused to tell Judge Underwood the exact grounds on which the paroles were recalled, declaring that was the sole business of the board, and not of the court.

The judge criticized that attitude and then recessed the case for 10 days, instructing the government to bring in more evidence.

Campagna, Gioe and two other ex-confederates of Al Capone were paroled after serving only one-third of 10-year terms for a $1,800,000 movie industry shakedown.

CHICAGO DAILY SUN—TIMES

Oct 27, 1965

3/6/95 SPSA(AW)

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CHICAGO DAILY TRIBUNE
Page 24** Wed., Oct. 27, 194

CAMPAGNA, GIOE GET A BREAK IN FREEDOM FIGHT

Hearing Ends Without Counter-Evidence

BY JAMES DOHERTY

The chances of Louis Campagna and Charles Gioe, Capone gang hoodlums, for release from the federal penitentiary at Atlanta, Ga., were improved yesterday as a result of a move by the department of justice.

A. E. Gottshall, an assistant attorney general from Washington, refused to introduce any evidence to counter the gangsters' case as their habeas corpus hearing was concluded before Judge E. Marvin Underwood in the Atlanta federal District court.

Gottshall's action drew from Judge Underwood the comment that "the testimony of the petitioners (Campagna and Gioe) has been strengthened by the failure of the government to bring forth evidence or deny the testimony."

Court Questions Silence

"All I want to know," Judge Underwood continued, "is what the charges are against these men and what action is being contemplated. Why won't the parole board give this court a reason for its silence?"

Gottshall's only explanation was that disclosure of evidence that the parole board is considering would have the effect of transferring the decision on the gangsters' freedom from the parole board to the court.

Judge Underwood instructed both sides to file briefs within 10 days, after which he will decide whether Gioe and Campagna are being imprisoned legally.

Ricca Awaiting Hearing

Campagna, Gioe, Phil D'Andrea, and Paul Ricca were paroled after serving one-third of three 10 year sentences for a million dollar extortion conspiracy against the moving picture industry. The paroles of Campagna, Gioe, and Ricca were revoked after a congressional committee and a grand jury began investigating the circumstances.

Ricca's habeas corpus petition is pending in federal District court in Chicago and he is free on bond. Campagna and Gioe, however, were whisked back behind bars before petitions could be filed in their behalf.

In Chicago, Judge Walter J. La Buy, who will preside at the trial of Eugene Bernstein and Tony Accardo on an indictment charging conspiracy in connection with the paroles, ordered the government to permit defense lawyers to inspect and copy government records. The trial is slated to begin Nov. 4.

CHICAGO DAILY TRIBUNE
Oct 27, 1948

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62-2000-1735

'MYSTERY PAL' PAID $100,000, CAMPAGNA SAYS

But Gangster Doesn't Know Who He Was

BY JAMES DOHERTY

Louis Campagna told a federal court at Atlanta yesterday that he does not know the identity of men who paid $100,000 to settle an income tax claim against him and to obtain dismissal of an indictment so that he and other Capone gangsters could be paroled.

In Chicago, Rep. Busbey (R., Ill.) pledged that the next congress, with the help of the Dewey administration, would continue its effort to expose all the deals that led to paroles of Campagna, Charles Gioe, Paul Ricca and other Capone gangsters.

Taken To Court From Prison

Campagna and Gioe were brought from Atlanta federal prison to the court of Judge E. Marvin Underwood on a writ of habeas corpus. A similar habeas corpus action in behalf of Ricca is pending here before United States Judge Michael L. Igoe.

Campagna and his wife both testified before Underwood, and said they did not know the mysterious men said to have dropped bundles of money on a Chicago lawyer's desk, saying only "pay this for Louis" or "pay this for Paul."

It cost $89,000 to settle the income tax bill against Campagna, who was convicted of sharing in $1,800,000 of tribute exacted from the motion picture industry. Ricca's tax bill was settled for $39,000.

In addition to those payments, $15,000 went to Maury Hughes, Texas lawyer and close friend of Atty. Gen. Clark, for negotiating dismissal of an indictment that would have blocked the paroles.

"Not Unusual," Wife Says

"We have lots of good friends and I don't think it was unusual that they paid the tax money for Louis," the wife, Mrs. Charlott Campagna, told Underwood.

Campagna said he had done nothing to violate his parole. Gioe, who was taken back to prison with Campagna two months ago, made a similar statement. Gioe was not involved in the tax payment. Their hearing will be continued today.

Busbey said he has assurance of help from the new administration. Under Dewey the department of justice will no longer be used as a coverup for the men back of the paroles, he added.

Obstacles In Path Of Probe

"Up to the present the department of justice has been hindering us," Busbey charged.

"Considerable effort has been cash and political influence were back of the parole board's reduction of 10 year sentences given these gangsters for a $1,800,000 extortion. Witnesses who fled congressional subpenas may as. well know now that our inquiry will go on, double time, under Dewey."

Busbey said he had notified Dewey of the need for help in the investigation and had received a reply from Alger B. Chapman, president of the New York tax commission, who said Gov. Dewey had asked him to answer it.

"The paroles were engineered by close friends of Truman and Clark, so we had to fight the administration to get any facts," said Busbey.

CHICAGO DAILY TRIBUNE

Oct 26, 1948

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 5/16/95 BY SP5CA/AW

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58-2000-1936

FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI
ATTENTION: MR. A. ROSEN

DATE: October 27, 1948

FROM : SAC, Chicago

SUBJECT: LOUIS CAMPAGNA, was; etal
BRIBERY; PAROLE MATTERS

For the information of the Bureau there are transmitted clippings from the Chicago Herald-American and the Chicago Tribune of October 25, 1948 and the Chicago Tribune and the Chicago Sun-Times of October 26, 1948, which relate to the captioned matter.

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4 ENCL

Phila. clippings to the AG 11-9-48 CAE

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 3/16/95 BY SP5 CAL/ca

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INDEXED - 41

58-2100-1936

19 NOV 12

Campagna has good pals--good as gold

Special to THE SUN-TIMES

Atlanta--How good can a good friend be?

Louis (Little New York) Campagna, former Capone gang big shot, told U. S. Dist. Judge E. Marvin Underwood that an unknown friend paid between $80,000 and $90,000 in back income taxes for him.

When the court expressed amazement that anyone could put up that much money without Campagna knowing about it, the ex-mobster said:

"I don't think it strange because I have some good friends."

Campagna and Charles (Cherry Nose) Gioe went to court seeking their release from the federal penitentiary here on writs of habeas corpus.

They were sentenced to 10 years for the celebrated movie extortion plot, but paroled after serving one-third of their terms. Later they were returned to prison for parole violation.

CHICAGO DAILY SUN—TIMES

Oct 26, 1948

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3/6/95 BY SP5CA/AW

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58-2000-136

CAMPAGNA, GIOE OPEN FIGHT FOR FREEDOM TODAY

Writ Hearing Scheduled in U. S. Atlanta Court

BY JAMES DOHERTY

Louis Campagna, high ranking Capone gangster, and Charles Gioe, lesser light of the Chicago gang which plundered Hollywood and New York executives of the motion picture industry to the extent of $2,800,000, are to make a fight for freedom today in Atlanta.

Rep. Fred E. Busbey (R., Ill.) said the action in Atlanta will have an important bearing on the continuation of the investigation of the paroles of these gangsters together with the parole of Paul Ricca, gang chief who is fighting a return to prison in federal District court here.

Campagna and Gioe were taken back to prison for parole violation to serve the balance of their 10 year sentences, which a parole board had cut to 3 1/2 years. Ricca has been charged with parole violation but so far has evaded the return to prison demanded by the congressional committee of which Busbey is a member and of which Rep. Clare E. Hoffman (R., Mich.) is chairman.

Can't Appear In Atlanta

"It's going to cost the government far more to get them back in prison than it cost them to get out, and that was plenty," said Busbey yesterday when asked about the Atlanta hearing. "I thought the congressional committee should be represented at Atlanta but none of us could spare the time now." Busbey attended all the present habeas corpus hearings in behalf of Ricca.

United States Atty. J. Ellis Mundy in Atlanta said the habeas corpus petition of Campagna and Gioe would be heard today before Federal Judge E. Marvin Underwood. He said he didn't know the plans of Atty. William Scott Stewart of Chicago who had tried to force the government to bring George Browne and Willie Bioff, former top bosses of the union used by the Capone gang in its extortion project, to Atlanta to testify in behalf of Campagna and Gioe.

Stewart Plans Not Told

"I do not know whether Mr. Stewart will call witnesses or submit depositions," said Mundy in a long distance telephone conversation. "The convicts will be in court. I believe Warden W. H. Hiatt of the federal penitentiary will produce them, inasmuch as this is a habeas corpus case."

The charges against Ricca, as shown in the record here, are:

1. Failure to make full and truthful written reports to the supervisor of parole.
2. Untruthful statements covering expenditures during December, 1947, and January, 1948.
3. Association with persons of bad reputation.
4. Failure to conduct himself honorably.
5. Failure to disclose sources of moneys used in settlement of internal revenue taxes when questioned before a legally constituted body.

"Didn't Know" Funds' Source

Campagna is back in prison and Ricca is headed that way because they refused to tell "who got the money," according to Busbey. Specification No. 5 of the charges pertains to the refusal of both Campagna and Ricca to tell the congressional committee who paid the $128,000 to the government in a compromise of income taxes of $670,000 the government said the two gang bosses owed. Gioe was not involved, as he had no tax liens against him.

"The two gangsters said they didn't know who furnished this money. They said they didn't know who furnished $15,000 paid to a friend of U. S. Atty. Gen. Tom C. Clark for legal services incidental to their release," Busbey recalled.

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CHICAGO DAILY TRIBUNE

Oct 25, 1948

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Parole Trials Open for Campagna, Gioe

Habeas corpus hearings for Louis (Little New York) Campagna and Charles (Cherry Nose) Gioe, Guzik-Ricca-Capone gangsters returned to Atlanta prison for violation of their quickie paroles, were to begin today in Federal Court at Atlanta.

Campagna, Gioe, Paul (The Waiter) Ricca and Phil D'Andrea were paroled after serving one-third of their sentences of 10 years each in the $2,000,000 movie extortion.

Charges they had bought their way out led to investigations and the return of Campagna and Gioe. Ricca still is free because of continuances granted by Federal Judge Igoe.

No attempt has been made to return D'Andrea because he is seriously ill.

THE CHICAGO AMERICAN

Oct 25, 1948

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3/6/93 BY SP5A/CW

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ENCLOSURE
5P-2000-193

FEDERAL BUREAU OF INVESTIGATION
TED STATES DEPARTMENT OF JUSTI(

cc: Mr. Rosen
Mr. McCabe
Mr. Evans

To: COMMUNICATIONS SECTION.

NOVEMBER 8, 19

Transmit the following message to:

SAC, LOS ANGELES URGENT

LOUIS CAMPAGNA, WAS, STAL, BRIBERY, PAROLE MATTERS. REBUTEL NOVEMBER FOUR

BUTEL TODAY STATUS THIS INVESTIGATION.

HOOVER

CC: CHICAGO (VIA AIRMAIL AIR)

58-2000

CAE:FW

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ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3/6/95 BY SP5 alw

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Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
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Mr. Nease
Miss Gandy

FBI
U.S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
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FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

NOV 5 - 1948

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Mr. Tolson
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
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Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Kerr
Mr. Mohr
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

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DIRECTOR.....URGENT

3/6/95 SPSA/CAM

ATTENTION ASSISTANT DIRECTOR A. ROSEN

LOUIS CAMPAGNA, WAS ETAL, BRIBERY, PAROLE MATTER.

USA CHICAGO REQUESTS THE PRESENCE OF SA KENNETH S. SMITH OF THE DETROIT OFFICE AND SA ALBERT J. RUSHING OF THE CHICAGO OFFICE TO TESTIFY CONCERNING THEIR INTERVIEW WITH ATTORNEY EUGENE BERSTEIN AS SET FORTH ON PAGE TWENTY-SIX OF THE REPORT OF SA WAYNE S. MURPHY DATED OCTOBER SECOND NINETEEN FORTY-SEVEN AT CHICAGO, ILLINOIS, IN THE TRIAL MONDAY NEXT OF SUBJECTS EUGNE BERNSTEIN AND TONY ACCARDO. DETROIT HAS BEEN ADVISED.

cc: Mr. Tolson

RECORDED - 42 58-2100-1938

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COMMUNICATIONS SECTION

NOV 3 - 1948

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SAC URGENT

LOUIS CAMPAGNA, WAS, ETAL, BRIBERY, PAROLE MATTERS. REBUTEL NOVEMBER FOUR. SUTEL TODAY STATUS THIS INVESTIGATION.

HOOVER

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3/6/95 SPSA/am

The Attorney General
Director, FBI

November 15, 1948

RECORDED - 13158-2000-1939

LOUIS CAMPAGNA, WAS, ET AL
BRIBERY; PAROLE MATTERS

For your further information in this case I am enclosing herewith a photostatic copy of a newspaper article published in Chicago on November 1, 1948.

Enclosure

58-2000
CAE:mep

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3/16/95 BY SP5 alw

U.S. DEPT. OF JUST.
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5 cc Rm 11-16-48

Mr. Tolson
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Tele. Room
Mr. Nease
Miss Gandy

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI

DATE: NOV. 3, 1948

FROM : SAC, CHICAGO (6)

ATTENTION: ASST. DIR. A. ROSEN

SUBJECT: LOUIS CAMPAGNA, WAS, ET AL
BRIBERY, PAROLE MATTER

Attached is a clipping pertinent to the captioned case from the Chicago Daily Tribune of November 1, 1948.

Encl.

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6 NOV 16 1948

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ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3/16/95 BY SP5 CA/CW

MOVE TO BLOCK NEW VOTE GRAB BY RICCA GANG

G.O.P. Leaders on Guard to Avert Terror

BY JAMES DOHERTY

John L. East, chairman of the Cook county Republican central committee, said yesterday that precautions had been taken to prevent a repetition of the conditions that prevailed in the 1946 fall election. At that election, Italian-Americans in five wards were terrorized and coerced to vote Democratic in a "deal" so Paul Ricca, Louis Campagna, Charles Gioe and Phil D'Andrea, Capone gangsters, could get federal paroles. Republican leaders in the five wards are on guard to protect the voters and their ballots, East declared.

The wards in which, according to testimony before the Hoffman-Busbey congressional committee, votes were switched as a down payment for the release of the convicts who had been sent to prison for 10 years for the extortion of $1,800,000, were the 20th, which is now the 1st, the 25th, 26th, 27th, and 28th.

In 1946 those five wards gave the Republican candidate for county clerk 28½ per cent of the total vote while the rest of the city was voting Republican by better than 45 2/3 per cent.

5 Wards Reversed Vote Trend

The Republican vote in those five wards in 1946 showed a loss of more than 11 per cent from the Republican vote of 1940 in the last election in the county before the war. In the other 45 wards there was a gain of 11 per cent in the Republican vote as compared to the 1940 vote.

Using the vote for county clerk—top county office on the ballot—as a basis, the total of 35,440 cast for the Republican candidate should have been 11 per cent higher, and the total Democratic vote for this office, 88,814 should have been 11 per cent lower, according to the figures given the congressional committee of which Rep. Hoffman (R., Mich.) is chairman, and Rep. Busbey (R., Ill.) is an active member. According to these figures the "deal" was responsible for a swing of 13,668 votes in favor of the Democratic candidates.

The congressmen were told that the "parole deal" involved many more votes but that a counter-campaign with Mario Tonelli as a spearhead saved many thousand votes for the Republican candidates and resulted in Tonelli's election as county commissioner. In those five wards there was only one Democratic committeeman of Italian extraction, Peter Fosco, but all five Republican ward committeemen were Italian-Americans.

Fosco A Friend Of Ricca

Fosco, who is admittedly a close friend of Ricca, gang leader and most prominent of the parolees, showed by far the greatest vote increase in the 1946 election.

The figures given the Hoffman-Busbey committee showed that in 1940, the Presidential vote in the 20th ward was .5786 Democratic and .4214 Republican. In 1946, the year of the "parole deal" the county clerk vote was .7884 Democratic and .2116 Republican. This amounted to a swing of 42 per cent of all the ballots cast, or a "delivery" of 8,518 votes by Fosco, alone, the congressmen were informed.

It was recalled at Republican headquarters yesterday that in testimony before the committee in Washington, Democratic Chairman Jacob M. Arvey said, "Yes, it is true we (the Democrats) made a better showing in those five wards in the 1946 election than ever before." Arvey added that the Democratic gain was because the Republican committeemen "sat out the election because they were sore at Gov. Green."

Gang Out To Beat Busbey

East sent word to all the leaders in the 3d district to make a special effort to get votes for the re-election of Rep. Busbey whom the Capone gang is out to beat this time. Precinct captains were reminded that Busbey has been insistent that the truth be told about why the Capone-Ricca-Guzik gangsters were freed, and is determined to uncover who contributed to the huge pile of cash used in the freedom move, and "who got the money."

The district in which Busbey seeks re-election comprises all of the 17th, 18th and 19th wards, parts of the 13th and 16th wards, and a lone precinct of the new 20th ward.

CHICAGO DAILY TRIBUNE

Nov 1, 1948

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3/6/95 BY SP5 CA/AW

58-2644-1939

ENCLOSURE

The Attorney General

November 15, 1948

Director, FBI

LOUIS CAMPAGNA, was, ET AL.
BRIBERY
[illegible]ROLE MATTERS

RECORDED - 13 58-2000-1940

I am enclosing herewith for your further information in this case a photostatic copy of a newspaper article published in the Chicago Tribune for November 3, 1948.

Enclosure

58-2000

CAE:ige

SEARCHED INDEXED
SERIALIZED FILED
11-16-48

RECEIVED
NOV 15 5 01 PM '48
DEPT OF JUSTICE
FBI
U.S.

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Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Mole, Room
Mr. Nease
Miss Gandy

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : DIRECTOR, FBI

DATE: NOV. 4, 1948

FROM : SAC, CHICAGO

ATTENTION: ASST. DIR. A. ROSEN

SUBJECT: LOUIS CAMPAGNA, WAS, ET AL
BRIBERY--PAROLE MATTER

Attached is a clipping pertinent to the captioned case obtained from the Chicago Daily Tribune of November 3, 1948.

Encl.

MNW
58-194

[redacted] RECORDED - 137 62-30006-194

F B I
6 NOV 16 1948

1 ENCL. for the Attorney General
11-15-48 C.A.E.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3/6/95 BY SP5 alm

HOFFMAN HOPES FOR ACTION IN PAROLE INQUIRY

Will Appear as Witness at Thursday Hearing

BY JAMES DOHERTY

Possible teamwork in uncovering financial details of the paroling of four rich Capone gangsters was seen in the announcement yesterday of Rep. Hoffman (R., Mich.) that he would appear here Thursday as a witness before the special federal grand jury. He also is scheduled to appear in his capacity as chairman of the congressional committee which said the paroles were obtained fraudulently.

Hoffman's committee went into action almost as soon as prison doors opened for Paul Ricca, gang chief, Louis Campagna, Charles Gioe and Phil D'Andrea. The grand jury lagged behind but there was no co-operation between the two federal investigating bodies, and Hoffman complained that President Truman and Atty. Gen. Clark had refused to give the committee information and had "clamped down the iron curtain."

Hopes For Action Now

Now it is indicated that the grand jury may help the congressmen who demanded that the paroles be revoked and who insisted on being told "who paid the money, how much was paid, and where did the money come from?" Hoffman said he hoped the invitation to him to testify was the first step in bringing both inquiries to a successful conclusion.

Hoffman and Rep. Busbey (R., Ill.), also a member of the committee, had numerous clashes with President Truman and Atty. Gen. Clark. Busbey said they felt they would get no help from the department of justice or any agency under Clark's control until after the election. The federal bureau of investigation was forbidden to give the congressmen the results of its interviews with more than 275 witnesses, so the committee did its own digging, the chairman recalled.

Peter Fosco, Democratic committeeman of the 1st ward, was under subpena last month for an appearance before the Hoffman committee Thursday in a hearing scheduled to be held in Judge Elwyn Shaw's courtroom. It probably will go ahead, Hoffman said yesterday.

Hoodlums Face Quiz

Busbey gave subpenas for several well known hoodlums to United States Marshal Thomas P. O'Donovan. If served, the witnesses are to report Thursday for questioning about how much money they contributed to the release of Ricca, Campagna, Gioe, and D'Andrea, what else they did to help "out" their pals, and the influence, if any, they marshaled in behalf of the gangsters.

The prospective witnesses include Jack Guzik, Ed Vogel, John Moore, alias Claude Maddox, Anthony Capezio, and others who grew rich thru operations of the Capone vice, gambling, and crime syndicate.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3/6/95 BY SP5 CAW

CHICAGO DAILY TRIBUNE
Nov 2, 1948

ENCLOSURE 58

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

NOV 8 1948

TELEMETER

Mr. Tolson
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Gurnea
Mr. Harbo
Mr. Belmont
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

3/6/95 SPSC/ad

WASHINGTON 2 FROM CHICAGO 8 12-20PM A

CONF TO DIRECTOR AND SAC DETROIT URGENT

ATT. ASSISTANT DIRECTOR A. ROSEN

LOUIS CAMPAGNA, WAS., ETAL, BRIBERY, PAROLE MATTERS. DUE TO THE SUDDEN ILLNESS OF DEFENSE ATTORNEY GEORGE F. CALLAGHAN, THE TRIAL OF ANTHONY ACCARDO AND EUGENE BERNSTEIN WAS POSTPONED UNTIL ~~FIXX~~ FRIDAY MORNING NEXT BY FEDERAL JUDGE LA BUY. ALL WITNESSES RELEASED UNTIL FRIDAY MORNING NEXT. SA KENNETH S. SMITH OF DETROIT RETURNING TO OFFICE OF ASSIGNMENT THIS AFTERNOON AFTER PRE TRIAL CONFERENCE WITH AUSA RYAN, TO RETURN CHICAGO FRIDAY MORNING NEXT.

MC SWAIN

DETROIT TO BE ADVISED

END AND ACK PLS

RECORDED - 51 158-2 -1941

EX-61

cc: Supervisor

23 NOV 15 1948

cc-Mr. Rosen
Mr. McCabe
Mr. Evans

Mr. Peyton Ford
The Assistant to the Attorney General

November 9, 1948

Director, FBI

RECORDED - 114 58-2000-

LOUIS CAMPAGNA, was., ET AL
BRIBERY - PAROLE MATTERS

EX-63

Reference is made to your memorandum of October 29, 1948 requesting that further investigation of this case be conducted at Los Angeles, California. As Mr. Horan of your office was telephonically advised the following information was developed in this investigation.

The gambling establishment which was mentioned in the report of Special Agent Frederick E. Roderick at Los Angeles dated April 2, 1948 was not on the same premises where subject John Roselli maintained his office while acting as an Associate Producer for the Robert Kane Productions. This gambling establishment was located in a building one-half block south of the building where Roselli had his office. According to one informant, gambling at this establishment never took place because of its close proximity to the studio gates where guards were on duty. Another informant, however, indicated that gambling took place for only a short period of time at this location under the direction of a Los Angeles gambler known as "Momo, The Barber". This same informant advised that sporadic gambling and bookmaking has existed on the second floor and rear quarters of an automobile service station located at 7335 and 7331 Santa Monica Boulevard. This service station is directly across the street from Roselli's office. There is no indication that Roselli was ever connected with or frequented this gambling establishment.

Confidential informants of this Bureau in Los Angeles, in a position to furnish information concerning gambling activities in Los Angeles, have indicated that the office of subject, Roselli, has never been known to have been used for gambling activities. No further investigation in this matter is being conducted in the absence of a further request from you.

cc-Mr. Horan

58-2000
CAE:fcf

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3/16/93 BY SP2 AJM

FBI
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NOV 9 1948
P.M.

Mr. Tolson
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Tele. Room
Mr. Nease
Miss Gandy

COMMUNICATIONS SECTION
MAILED 11
NOV 10 1948 P.M.
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

called at 5:35 pm and in mail

RECEIVED TELETYPE UNIT
NOV 8 1 11 PM '48
FBI - NEW ORLEANS

ROSELLI DRIVE OWN AUTOMOBILE INTO THIS GASOLINE STATION AND PARKED AUTOMOBILE THERE FOR SERVICE. HOWEVER, ROSELLI NEVER OBSERVED ENTERING REAR QUARTERS ON SECOND FLOOR OF GASOLINE STATION WHERE BOOKMAKING OPERATIONS HAVE BEEN REPORTED. INFORMANTS, WITH CERTAINTY, ADVISE ROSELLI'S OFFICE ABOVE THOSE OF JACK MARK MOTORS-USED CAR LOT-NEVER KNOWN TO HAVE BEEN USED PREVIOUSLY FOR GAMBLING. [redacted] STATES JACK GORDON USED CAR DEALER OWNED LEASE FOR STUDIO SERVICE STATION MENTIONED ABOVE. b7D

NO FURTHER [redacted] INVESTIGATION BEING CONDUCTED

HOOD

ACK PLS

cc: Mr. Ernst

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

NOV 8 1948

TELEMETER

Mr. Tolson
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Carson
Mr. Hardo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Mr. Foxworth
Miss Gandy

CONF 2 STATIONS WASH 1, CGO 1 FROM LOS ANGELES 8 10-45 AM

DIRECTOR, SAC URGENT

ATTENTION ASST. DIRECTOR A. ROSEN

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 3/6/93 BY SP2 CLK

LOUIS CAMPAGNA, WAS., ETAL., BRIBERY, ~~PAYROLL~~ PAROLE MATTERS. REURTEL NOV. FOUR LAST. A GAMBLING ESTABLISHMENT REPORTED ON PAGE SIX OF REPORT SA RODERICK APRIL SECOND, FORTYEIGHT, IN INSTANT CASE, NOT SET UP ON SAME PREMISES WHERE JOHN ROSELLI MAINTAINED HIS OFFICE WHILE ACTING AS ASSOCIATE PRODUCER FOR ROBERT KANE PRODUCTIONS. C.I. AT EAGLE LIONS STUDIOS STATES GAMBLING ESTABLISHMENTS SET UP IN OCT. OR NOV. NINETEEN FORTYSIX, HALF BLOCK SOUTH OF BUILDING WHERE ROSELLI HAD HIS OFFICE FOR GAMBLING NOT PLACED IN OPERATION BECAUSE OF CLOSE PROXIMITY TO STUDIO GATES WHERE GUARDS WERE ON DUTY NIGHT AND DAY. INFORMANT [redacted] b7D FORMER EAGLE LIONS [redacted] FURNISHED SAME INFO EXCEPT STATES GAMBLING DID OPERATE FOR SHORT TIME UNDER DIRECTION OF QUOTE MOMO, THE BARBER UNQUOTE, A GAMBLER NOW RESIDING AT EIGHT ONE NINE CRESCENT HEIGHTS BOULEVARD, LOS ANGELES. 58-2200-1947 FBI

RECORDED - 114 INDEXED - 114 3 NOV 16 1948

SPORADIC GAMBLING AND BOOKMAKING HAS EXISTED AT STUDIO TEXACO SERVICE STATION, SECOND FLOOR AND REAR QUARTERS, SEVEN THREE THREE FIVE AND SEVEN THREE THREE ONE SA STREET DIRECTLY WEST FROM ROSELLI MAKER NAMED JACK GORDON OPERATED ATTE S EMPLOYEES, CARPTENTER JOE IN STUDIO FOR GORDON. REPORTED TO THIS OFFICE IN CRIME SUR LISHMENT. ON PHYSICAL SURVEILLANCE BUREAU AGENTS OBSERVED ONE

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. LADD

FROM : A. ROSEN

DATE: November 16, 1948

Call: 12:45 p.m.

SUBJECT: LOUIS CAMPAGNA, WAS, ETAL
BRIBERY; PAROLE MATTERS

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 3/6/95 SP5A/CW

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Tele. Room
Mr. Nease
Miss Holmes
Miss Gandy

SA Wayne S. Murphy, who was acting in the Chicago Division, advised that USA Otto Kerner this morning requested the Chicago Office to conduct an immediate investigation for the purpose of locating witnesses who might testify for the government concerning the reputation of Eugene Bernstein and Anthony Accardo. Mr. Kerner also requested that Virgil Peterson of the Chicago Crime Commission be interviewed for the purpose of determining if he would be available and qualified to testify for the government concerning the reputation of Bernstein and Accardo. Mr. Murphy pointed out that Bernstein and Accardo are presently on trial and that this is the second day of the trial. He advised that SAC McSwain was of the definite opinion that the Chicago Division should not at this late date attempt to conduct this character investigation. Mr. Murphy stated that the USA apparently is of the belief that Eugene Bernstein will take the stand in his own defense.

ACTION TAKEN

SA Murphy was advised that USA Kerner's request for investigation would be given consideration but that until he heard further from the Bureau no investigation was to be conducted.

RECOMMENDED ACTION

It is recommended that in accordance with the specific request of USA Kerner, Virgil Peterson be interviewed and that if the USA has in mind any other specific individual or individuals who might be available as government character witnesses that such persons who may be designated by the USA be interviewed.

It is further recommended that no attempt be made at this date to conduct a general investigation for the purpose of locating persons who might be in a position to testify concerning the character and reputation of Bernstein and Accardo ~~be attempted~~. If you approve, the Chicago Division will be telephonically so instructed. In this connection, it might be noted that Bernstein is a member of the Chicago Bar and presumably in a position to establish a good reputation. The identification record of Accardo has been made available to the United States Attorney.

RECORDED - 69 58-2100-1943

INDEXED - 69 37 NOV 18 1948

EJM:DRF

ADDENDUM: Call: 2:15 p.m.

SA Murphy was instructed that the action recommended above be taken.

EJM:DRF

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

NOV 17 1948

TELEMETER

WASH 8 FROM CHICAGO 12 5-10PM PL

DIRECTOR.....URGENT

ATTENTION: AEX ASSISTANT DIRECTOR A. ROSEN

LOUIS CAMPAGNA, WAS., ETAL, BRIBERY, PAROLE MATTERS. THE SELECTION OF THE JURY IN THE TRIAL OF EUGENE BERNSTEIN AND ANTHONY ACCARDO WAS COMPLETED LATE THIS AFTERNOON, AT WHICH TIME FEDERAL JUDGE WALTER J. LA BUY RECESSED HIS COURT UNTIL TEN A. M. MONDAY NEXT. EUGENE BERNSTEIN IS REPRESENTED BY HARRY A. BIOSSAT AND ANTHONY ACCARDO IS REPRESENTED BY GEORGE F. SALLAGHAN. IN THE [redacted] SELECTION OF THE JURY TWO CHALLENGES WERE MADE BY THE GOVERNMENT, TEN BY THE DEFENSE ATTORNEYS AND FOUR JURORS WERE DISMISED FOR CAUSE IN THAT THREE STATED THEY WOULD BE PREJUDICED IN THE EVENT THAT ANTHONY ACCARDO DID NOT TAKE THE WITNESS STAND IN HIS OWN BEHALF AND ON WHO ADMITTED THAT HE WAS PREJUDICED AGAINST ATTORNEYS IN GENERAL BECAUSE OF HIS PERSONAL LITIGATION IN CONNECTION WITH A FIRE IN HIS BUSINESS.

G. I. R. -7

66 - RECORDED
INDEXED - 99
MC SWAIN

158-2000-1944
F B I
23 NOV 17 1948

3/6/95 SRS/aw

ND ECK PLS

EX-14

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI
ATTENTION: MR. A. ROSEN

DATE: November 10, 1948

FROM : SAC, Chicago

SUBJECT: LOUIS CAMPAGNA, was; etal
BRIBERY; PAROLE MATTERS

For the information of the Bureau there are transmitted herewith clippings from the following newspapers: Chicago Tribune and Chicago Sun-Times of November 4, 1948; Chicago Tribune, Chicago Sun-Times and Chicago Herald-American of November 5, 1948, and the Chicago Sun-Times of November 7, 1948, all of which relate to the captioned matter.

MG
Encs. (6)

6 ENCL

RECORDED - 14 58-3000-1971
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Memo for the duty. Ge...
FBI 2-43
C.A.E.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3/6/95 SR CA (CW)

CHICAGO DAILY TRIBUNE:
Part 3 Page 2
Thursday, November 4, 1948

VOTE OUTCOME CLOUDS FUTURE OF PAROLE QUIZ

Committee to Resume Probe Here Today

BY JAMES DOHERTY

Rep. Clare E. Hoffman (R., Mich.) came to Chicago yesterday and announced he was ready to do his part to bring to a successful conclusion the inquiry into why and how four Capone gangsters were given federal paroles.

Hoffman is slated to preside at a congressional committee hearing this morning in the federal District courtroom of Judge John P. Barnes. Hoffman expects also to be a witness before the special federal grand jury on the subject of the gang paroles.

Insofar as congress is concerned, a report must be prepared before the end of the year by the committee assigned to investigate the release of Paul Ricca, Louis Campagna, Charles Gioe, and Phil D'Andrea three and a half years after they were sentenced to 10 year terms, Hoffman explained.

Will Lose Busbey's Aid

Unfinished business may be taken up by the new congress, but Hoffman will lose the assistance of Rep. Fred E. Busbey (R., Ill.) who was beaten in Tuesday's election.

Hoffman, altho re-elected to an 8th term in congress, will not be chairman of the house committee on expenditures, it appeared. Whoever his successor is to be, Hoffman said there was no telling what might be done.

Busbey, who expects to go away for a rest in a few days, said he felt that the committee, which spent more than a year on the parole inquiry, accomplished considerable for the welfare of the public. The committee demanded that all four paroles be revoked and so far, the revocation order has been issued for three of them.

Igoe To Rule On Warrant

Campagna and Gioe are back in prison. Judge Michael L. Igoe of federal District court is to rule on the validity of the parole board warrant for the rearrest of Ricca, who is rated as the gang chief. D'Andrea has been critically ill since he was freed and no steps were taken for his return to prison.

"We have done our part," said Busbey. "The congressional committee brought to light a miscarriage of justice. We showed the part taken by Maury Hughes, Dallas lawyer, and Paul Dillon, St. Louis lawyer, in the release of the Chicago gangsters who were convicted in New York of extorting $1,800,000 from the Hollywood motion picture industry.

"If we can't finish the task of uncovering payments for the paroles, the grand jury may do so. There is a field for investigation there."

Ready To Assist Jury

Hoffman said he would be glad to give the grand jurors the benefit of the information he acquired in the year he has been asking why the gangsters were let out of prison. He has been critical of the Truman administration for its opposition to the inquiry and was expected to express his criticism to the grand jurors.

Peter Fosco, Democratic committeeman of the 1st ward, was the only witness under subpena expected to appear before the Hoffman committee this morning, the United States marshal's office declared. Fosco was called because of his friendship with Ricca, it was explained.

Several gang associates of Ricca for whom subpenas were issued, were not served.

CHICAGO DAILY TRIBUNE

Nov 4 1948

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3/6/95 BY SP5 a/cw

57-

Parole probe to continue

The special federal grand jury investigating the paroles of four reputed Capone gangsters was to resume hearings Thursday after a postponement because of the election.

U.S. Atty. Otto Kerner Jr. said that Representative Claire Hoffman (R-Mich), chairman of the congressional committee which is also inquiring into the paroles, and who was re-elected Tuesday, will appear before the jury.

The parolees are Paul Ricca, Louis Campagna, Charles Gioe and Philip D'Andrea. They were released from prison after serving a third of their 10-year sentences for a $1,800,000 shakedown of movie executives.

Rep. Fred Busbey (R-Ill), a member of the congressional committee, said that his defeat at the polls Tuesday would have no effect on the congressional hearings.

CHICAGO DAILY SUN—TIMES

Nov 4, 1948

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3/16/95 BY SP1A/(RC)

ENCLOSURE

58-2100-174

FOSCO DENIES HELPING GANG GET PAROLES

Testifies at Committee Hearing in City

BY JAMES DOHERTY

Peter Fosco, labor union leader and political boss, told a congressional committee yesterday he had done nothing to help any of the Capone gangsters get the federal paroles which have been under investigation for the last year.

Specifically, Fosco said he didn't contribute any money for the benefit of Paul Ricca, Louis Campagna, and Phil D'Andrea, whom he knew, nor for Charles Gioe whom he didn't know; didn't use any of his political influence for them, and never talked to any one about their release until after they were out.

Hearing Is Adjourned

Anthony C. D'Andrea, who shares with Fosco in union control over 15,000 union building laborers, said his only contribution was to get a parole sponsor for his cousin, Phil D'Andrea. When he had finished his testimony in the courtroom of Federal Judge John P. Barnes, the committee, which consists of Representatives Hoffman (R., Mich.), chairman, Hardy (D., Va.), and Busbey (R., Ill.), adjourned the hearing to a later date in Washington.

Prior to the hearing, Representatives Hoffman and Hardy testified before the special federal grand jury that has been conducting a sort of companion inquiry to the one started by Hoffman and Busbey in protest against the release of the gangsters. This grand jury returned one indictment based on evidence unearthed by the representatives.

Fosco, Democratic committeeman of the 1st ward, said he lives in the 27th ward, at 916 S. Ashland av., but votes from 1118 S. Ashland av., which is in the 1st ward.

Questioned On Voting

Hoffman wanted to know under what law he could vote from any place other than his legal residence. Fosco said he bought the building, a three story brick structure with a stone front, from the Home Owners Loan corporation in 1940 for $7,200.

Ned Bakes, termed the "mystery man of the west side," is also registered as a voter from that building but hasn't lived there for two years, Fosco said. Bakes had been kept in a job as deputy sheriff by Fosco until the spring of 1946 when he went away for his health, the ward boss said.

Fosco termed himself a consultant and conciliator for the International Hod Carriers' union. D'Andrea gave his job as president of the district council of the Construction and General Laborers' unions. D'Andrea said he is not in politics. Fosco said he has been in politics for more than 20 years.

Denies Sending Bakes

The representatives said they were seeking information about reports of Bakes' connections with Maury Hughes, Texas lawyer who testified to getting $15,000 from a "Chicago Italian who used the name of Mike Ryan," Fosco said that he did not send Bakes to Texas to see Hughes, and that he never met Hughes. He said he did not know Bakes and Hughes were together at a boxing show he promoted last May 28.

Fosco said it was true Democratic candidates got 8,000 more votes in his ward in 1946 than other Democratic candidates got in the same precincts in 1940. He said, however, he made no deal when asked by Hoffman about an arrangement said to have been made in anticipation of the freeing of the gangsters.

"Did you ever talk to Mayor Kelly, Gael Sullivan, Jake Arvey or Bob Hannegan about getting the parole?" Hoffman asked Fosco.

Denies Parole Talk

"No, I never did," answered the ward committeeman who then said he knew all of the men. Arvey was and is Democratic county chairman, Hannegan, of St. Louis, was formerly chairman of the Democratic national committee, and Sullivan, of Chicago, was Hannegan's assistant.

"Did you ever talk to Paul Dillon of St. Louis or Maury Hughes of Texas about the paroles?" Hoffman asked. The answer was, "No."

CHICAGO DAILY TRIBUNE

Nov 5, 1946

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3/6/95 BY SP5 CC/CAD

ENCLOSURE 58-3000 - 1945

Parole probe on, off again

By Max Sonderby

Rep. Clare Hoffman (R-Mich.) and his House committee on expenditures in executive departments resumed its hearing Thursday on the paroles granted four former Capone associates, but worked at it less than an hour.

After hearing two witnesses, the committee recessed without setting a date for the next hearing, if there ever is going to be one. Rep. Fred E. Busbey, who has been the spark plug of the probe, said:

"They haven't tried to serve four subpoenas for witnesses in Texas I've wanted for months. As far as I'm concerned it (the investigation) is dead as a dodo."

Anthony D'Andrea — Posco

Busbey was defeated for re-election Tuesday by Neil J. Linehan, a Democrat, in Chicago's 3d Congressional District.

Peter Fosco, former county commissioner, was the first witness. He testified he knew nothing of any "deal" with five Republican ward committeemen in Italian wards in 1946 whereby votes were thrown to the Democrats in exchange for the paroles.

The Federal Parole Board later granted the paroles to the four men, Philip D'Andrea, Paul DeLucia, Charles Gioe and Louis Campagna.

Fosco was the Democratic committeeman in one of the five wards involved, the old 20th. He is now committeeman in the new 1st Ward, which was enlarged in the new ward alignment.

'Didn't have to'

"I didn't have to deal with them (the Republicans)," he said, proudly. "We carried the ward Tuesday by 20,000. In 1946, we carried the 20th by 11,000. In 1940, it was 3,000."

Fosco admitted he knew all four parolees. But he said he knew 95 per cent of the Italians in his ward, and all four parolees used to live there.

Fosco said he came here from Italy in 1913 and went to work as a brick tosser for the Nash Construction Co. Two years later he was made secretary of the Sewer & Tunnel Miners Union, Local 2, (AFL), and served as president from 1926 to 1946. He was born in Poland.

One of his precinct captains was Ned Bakes, whom the government has been trying to subpoena as a witness. Bakes resigned in 1946, and Fosco said he hasn't seen him for eight months.

Cousin testifies

The other witness was Anthony G. D'Andrea, president of the [redacted] Council, the construction and general labor unions which, like Fosco's union, is a subordinate body of the A.F.L. hod carriers' international. Anthony is a cousin of Philip D'Andrea.

Anthony said he visited Philip in Leavenworth twice in 1946 and 1947 to bring Philip's son to visit the father. Philip mentioned at the second visit that he was coming up for parole, and asked Anthony to find him a job and a sponsor. Anthony did.

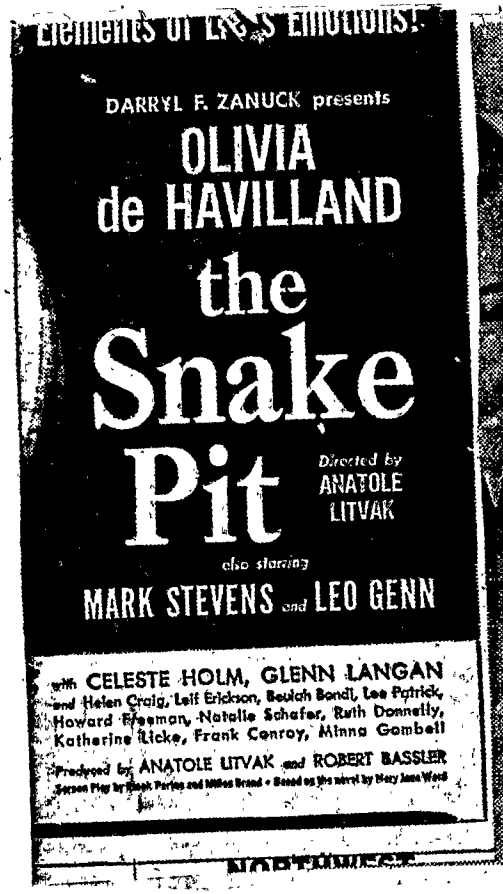
Busbey, Hoffman, Rep. Porter Hardy (D-Va.) and James Doherty a Chicago Tribune reporter, all appeared as witnesses a little earlier before the federal grand jury which also is investigating paroles.

CHICAGO DAILY SUN—TIMES

Nov 5, 1948

ALL INFORMATION CONTAINED HEREIN IS [redacted] SIFIED
DATE 8/16/95 BY SP5a/a

58-2[redacted] -1945


Elements of Life's Emotions!
DARRYL F. ZANUCK presents
OLIVIA de HAVILLAND
the Snake Pit
Directed by ANATOLE LITVAK
also starring
MARK STEVENS and LEO GENN
with CELESTE HOLM, GLENN LANGAN
and Helen Craig, Leif Erickson, Beulah Bondi, Lee Patrick, Howard Freeman, Natalie Schafer, Ruth Donnelly, Katherine Locke, Frank Conroy, Minna Gombell
Produced by ANATOLE LITVAK and ROBERT BASSLER

Denies Pushing Paroles

TAKING THE STAND in the congressional investigation of the parole of four Guzik-Ricca-Capone mobsters, Peter Fosco (right), Demo- cratic committeeman of the First Ward, denies that he furthered their cause with politicians or that he had anything at all to do w[illegible] paroles. Behind him is his attorney, George J. Haddad (center), and Anthony C. D'Andrea, cousin of Phil D'Andrea, whose parole is under question with those of Paul Ricca, Louis Campagna and Charles Glo[illegible] (Herald-American photo by Ed Wagner.)

THE CHICAGO AMERICAN

May 15, 1945

ENCLOSURE

62-90335-1915

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3/16/95 BY SP5 CA/a

Busbey, parole quiz fade

By Max Sonderby

The House Committee on Expenditures in Executive Departments has adjourned its long investigation of Capone Gang paroles to an unnamed future date--in Washington.

The star of the show, Rep. Fred E. Busbey, has been yanked out of the spotlight by the 3d District electorate.

Announcing the adjournment in a Federal Building courtroom last Thursday, Busbey's only comment on future plans was:

"I'm going to take a long rest."

Concerning his Nov. 2 election defeat by his Democratic opponent, Neil Linehan, the GOP Representative told his committee associates:

"I got caught in the tide. They spent too much money. Every presidential election I lose."

Elected in 1942 and defeated in 1944, Busbey has always made Red-baiting his main issue. Under Chicago Tribune sponsorship, he added gangster-chasing to his program.

But he always linked the gangsters to Democrats, and at one committee hearing here he even connected the Caponeites to Communists.

During the last campaign he neglected his battle with Linehan to issue charges of Communism against Democratic Sen.-elect Paul Douglas.

He also failed to explain to the voters his votes against housing and price control legislation and his championship of the Taft-Hartley Law.

CHICAGO DAILY SUN—TIMES

Nov 7, 1948

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3/16/95 BY SP5 alw

ENCLOSURE

58-2001-1945

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

cc - Mr. Rosen
Mr. McCabe
Mr. Evans

To: COMMUNICATIONS SECTION.

Transmit the following message to:

November 18, 1948 URGENT

SAC, CHICAGO

LOUIS CAMPAGNA, WAS., ETAL, BRIBERY, PAROLE MATTERS. REBUTEL NOVEMBER SEVENTEEN. ADVISE WHY BUREAU NOT PREVIOUSLY INFORMED THAT SERVICES ATU INVESTIGATOR USED AS HANDWRITING EXPERT. SUTEL.

HOOVER

CAM:mvd

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3/16/95 BY SP2 alw

RECORDED 113
EX-66

158-2000-1946
F B I
6 NOV 19 1948

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Miss Gandy

U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

NOV 18 1948

TRANSMITTED

SENT VIA DEC 7 1948 3PM

53 DEC 7

Per

RECEIVED FBI
U. S. DEPT OF JUSTICE
NOV 18 7 54 PM '48
MAIL ROOM

FBI

COMMUNICATIONS SECTION
NOV 18 1948
TELETYPE

CGO 8 FROM WASHINGTON DC 18 8-25 PM

SAC URGENT

LOUIS CAMPAGNA, WAS., ETAL, BRIBERY, PAROLE MATTERS. REURTEL NOVEMBER SIXTEXX SEVENTEEN. ADVISE WHY BUREAU NOT PREVIOUSLY INFORMED THAT SERVICES ATUIXX ATU INVESTIGATOR USED AS HANDWRITING EXPERT. SUTEL.

HOOVER

END

ACK PLS

3/6/95 SP5a/ac

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

Rec'd 7:40 PM 11-15-48

NOV 15 1948

TELEMETER

WASH 9 FROM CHICAGO 15 5-54 PM CJW

DIRECTOR, FBI URGENT

ATTENTION: ASSISTANT DIRECTOR A. ROSEN

LOUIS CAMPAGNA, W. AS., ET AL, BRIBERY, PAROLE MATTERS. TRIAL OF EUGENE BERNSTEIN AND ANTHONY ACCARDO CONTINUED THIS MORNING BEFORE FEDERAL JUDGE WALTER LA BUY. GOVERNMENT,S FIRST WITNESS WAS WARDEN HUNTER OF U. S. PENITENTIARY, LEAVENWORTH, KANSAS, WHO TESTIFIED AS TO HIS DUTIES IN THE INSTITUTION AND IDENTIFIED CORRESPONDENCE BETWEEN EUGENE BERNSTEIN AND THE USPJ SOME OF THE CORRESPONDENCE [redacted]BEING LETTERS DIRECTED TO THE WARDEN BY BERNSTEIN, THE OTHERS BEING THE REPLIES BY THE WARDEN, CONCERNING VISITS TO [redacted]LOUIS CAMPAGNA AND PAUL DE LUCIA. WARDEN HUNTER DID NOT COMPLETE HIS TESTIMONY TODAY AND WAS ASKED BY JUDGE LA BUY TO BE AVAILABLE UNTIL SUCH TIME AS THE LETTERS HE IDENTIFIED WERE INTRODUCED INTO EVIDENCE, AT WHICH TIME HE COULD BE CROSS EXAMINED UPON THE CONTENTS OF THE LETTERS. THE GOVERNMENT,S SECOND WITNESS WAS MISS GENEVIEVE COX, WHO HAS BEEN EUGENE BERNSTEIN,S SECRETARY FOR PAST TWENTY FIVE YEARS. SHE IDENTIFIED THE LETTERS MENTIONED ABOVE, ALSO IDENTIFIED THE SIGNATURE ON THE LETTERS TO THE ~~PENTXXX~~PENITENTIARY AS BEING OVER THE SIGNAUTRE OF EUGENE BERSTEIN, AND ALSO IDENTIFIED THE SIGNATURE OF EUGENE ~~BERSXXX~~BERNSTEIN AS IT APPEARED ON EACH OF THE INSTITUTIONAL PRISON REGISTERS. THE GOVERNMENTS THIRD WITNESS, WHO ONLY COMPLETED HIS DIRECT EXAMINATION TODAY, WAS MR. DOWNING, THE ~~ENTRANCD~~XXXXENTRANCE GUARD AT FT. LEAVENWORTH, WHO TESTIFIED THAT ON AT LEAST THREE OCCASIONS HE SAW DEFENDANTS BERNSTEIN AND ACCARDO ENTER THE PENITENTIARY, BERNSTEIN SIGNING THE

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0-106 3 NOV 19 1948

END OF PAGE ONE

NAME BERNSTEIN AND ACCARDO SIGNING THE NAME JOSEPH BULGER. TRIAL CONTINUING AT TEN AM TOMORROW.

MC SWAIN

END AND ACK PLS

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

NOV 18 1948

TELEMETER

FGK

WASH 10 FROM CHICAGO 18 6-11 PM URGENT

DIRECTOR, FBI, ATT: ASSISTANT DIRECTOR A. ROSEN

LOUIS CAMPAGNA, WAS, ET AL, BRIBERY, PAROLE MATTERS. TRIAL OF EUGENE BERNSTEIN AND ANTHONY ACCARDO CONTINUED THIS MORNING BEFORE JUDGE L BUY BY EUGENE BERNSTEIN TAKING STAND IN HIS DEFENSE. DEFENDANT BERNSTEIN ADMITTED THE VARIOUS TRIPS TO LEAVENWORTH PENITENTIARY AND TESTIFIED ANTHONY ACCARDO ACCOMPANIED HIM ON ALL EXCEPT ONE OCCASION. BERNSTEIN DISCLAIMED ANY KNOWLEDGE OF USE BY ACCARDO OF NAME JOSEPH I. ~~BURK~~ BULGER AND TESTIFIED HE HAD NO RECOLLECTION OF EVER SEEING NAME JOSEPH BULGER ON PRISON REGISTER SHEETS NOR DID HE HAVE ANY RECOLLECTION OF NAME BULGER IN CORRESPONDENCE DIRECTED TO HIM BY WARDEN AUTHORIZING VISITS WITH REFERENCE TO BERNSTEIN SIGNING THE ADDRESS ONE THREE NINE NORTH CLARK OPPOSITE NAME JOSEPH BULGER, BERNSTEIN TESTIFIED THAT AS THEY WERE LEAVING, A GUARD CALLED HIS ATTENTION TO FACT ADDRESS WAS MISSING. BERNSTEIN CLAIMED AT TIME THE GUARD HAD THE NAME COVERED WITH HIS FINGER AND HE COULD NOT SEE IT AND HE TURNED TO ACCARDO AND SAID QUOTE JOE, WHAT IS YOUR ADDRESS, UNQUOTE AND ACCARDO TOLD HIM ONE THREE NINE NORTH CLARK, WHEREUPON HE ENTERED SAME IN PRISON REGISTER. BERNSTEIN TESTIFIED SOLE PURPOSE OF ACCARDO'S ACCOMPANYING HIM TO LEAVENWORTH WAS TO ASSIST HIM IN HANDLING OF CAMPAGNA'S AND DE LUCIA'S INCOME TAX MATTERS. THREE CHARACTER WITNESSES WERE CALLED

END PAGE ONE

RECORDED - 94
EX-69

ON BEHALF OF DEFENDANT BERNSTEIN TODAY, NAMELY EDWARD J. SCHEFFLER, CHIEF JUSTICE OF MUNICIPAL COURT OF CHICAGO, HARRY M. FISHER, JUDGE OF CIRCUIT COURT OF COOK COUNTY, AND EMERY J. SMITH, PRACTICING ATTORNEY IN CHICAGO. THE TRIAL WILL BE RESUMED AT TEN O,CLOCK IN MORNING.

MC SWAIN

END AND ACK PLS

FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT CHICAGO, ILLINOIS FILE NO. 58-194

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
CHICAGO, ILLINOIS	11/22/48	11/21/48	ROBERT E. RICHTMYER RER:lab

TITLE	CHARACTER OF CASE
CHANGED: LOUIS CAMPAGNA, was, ET AL	BRIBERY PAROLE MATTERS

SYNOPSIS OF FACTS: EUGENE BERNSTEIN and ANTHONY JOSEPH ACCARDO acquitted on 11/21/48 by jury trial before Federal Judge WALTER J. LA BUY at Chicago, Illinois. Disposition sheets enclosed.

- P -

REFERENCE: Bureau File 58-2000.
Teletype to Bureau from Chicago, 11/21/48.

DETAILS:

AT CHICAGO, ILLINOIS

The title of this case is being marked changed to delete therefrom the name and aliases of the following subjects, in that they were acquitted by jury trial before Federal Judge WALTER J. LA BUY on November 21, 1948: ANTHONY JOSEPH ACCARDO, was Joe Batters, Tony Accardo, Joseph Bulger; EUGENE BERNSTEIN.

The trial of EUGENE BERNSTEIN and ANTHONY ACCARDO was commenced on November 12, 1948 before Federal Judge WALTER J. LA BUY, and was concluded at approximately 11 A.M., November 21, upon the jury's returning a verdict of not guilty.

Disposition sheets are being forwarded to the Bureau as enclosures with this report.

ENCLOSURES TO BUREAU:

1. Disposition sheet for EUGENE BERNSTEIN.
2. Disposition sheet for ANTHONY JOSEPH ACCARDO.

- PENDING -

APPROVED AND FORWARDED:	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES
		RECORDED - 94

COPIES OF THIS REPORT
3 - Bureau (Encl.-2)
1 - USA, Chicago
2 - Chicago

3/6/95 SPSA/cw

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

NOV 16 1948

TELEMETER

WASH 14 FROM CHICAGO 16

DIRECTOR, FBI URGENT

ATTENTION: ASSISTANT DIRECTOR A. ROSEN

8-16 PM

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 3/16/83 BY SP3 AJS

LOUIS (1) CAMPAGNA, WAS, ET AL, BRIBERY, PAROLE MATTERS. TRIAL OF EUGENE (2) BERNSTEIN AND ANTHONY (3) ACCARDO CONTINUED THIS MORNING BY GOVERNMENT RESUMING ITS DIRECT EXAMINATION OF MR. VICTOR N. DOWNING, ENTRANCE GUARD AT FORT LEAVENWORTH. DURING DOWNING,S TESTIMONY HE STATED THAT AFTER BERNSTEIN AND ACCARDO HAD REGISTERED AT PENITENTIARY HE ASKED BERNSTEIN THE NAME OF HIS COMPANION IN ORDER TO FILL OUT ANOTHER FORM AND BERNSTEIN GAVE DOWNING HIS COMPANION,S NAME AS (4) JOSEPH BULGER. FOLLOWING MR. DOWNING, WERE CUSTODIAL OFFICERS GLEN A. JONES AND CHAUNCEY J. BISHOP OF USP, LEAVENWORTH, WHO TESTIFIED CONCERNING THEIR OBSERVATIONS OF DEFENDANTS BERNSTEIN AND ACCARDO IN VISITING ROOM AT USP LEAVENWORTH WHILE VISITING WITH INMATES CAMPAGNA AND DE LUCIA. BISHOP HAS NOT FINISHED HIS TESTIMONY. WARDEN HUNTER WAS RECALLED TO STAND TODAY FOR CROSS EXAMINATION CONCERNING WHETHER OR NOT HE PERSONALLY SIGNED THE LETTERS WRITTEN FROM THE PENITENTIARY [redacted] TO BERNSTEIN AS CARBON COPIES FROM THE FILES OF THE PENITENTIARY HAVE BEEN INTRODUCED INTO EVIDENCE, THE ORIGINALS BEING SUPPOSEDLY IN POSSESSION OF DEFENDANT BERNSTEIN. WARDEN HUNTER TESTIFIED THAT FROM MERE EXAMINATION OF A CARBON COPY HE COULD NOT TELL FOR CERTAIN THAT HE PERSONALLY SIGNED IT, AND MENTIONED THAT ONE OF HIS ASSISTANTS MAY HAVE SIGNED IT SHOULD HE HAVE BEEN ABSENT. TRIAL CONTINUING TEN AM TOMORROW. REFERENCE IS MADE TO TELETPHONE CALLS TODAY BETWEEN SUPERVISOR WAYNE S. MURPHY AND INSPECTOR E. J. MC CABE OF BUREAU CONCERNING USA KERNER,S REQUEST THAT VIRGIL

RECORDED - 94 1-28-8000-1950
EX 50 5 NOV 23 1948

PETERSON OF CHICAGO CRIME COMMISSSION BE INTERVIEWED FOR PURPOSE OF DEVELOPING SOMEONE WHO WOULD BE IN POSITION TO TESTIFY CONCERNING REPUTATION OF DEFENDANTS BERNSTEIN AND ACCARDO IN EVENT THAT THE DEFENSE PUTS THEIR REPUTATION IN THE TRIAL. PETERSON WAS INTERVIEWED AND HE RECOMMENDED CAPTAIN JOHN HOWE [redacted] OF CHICAGO PD WHO HAS PERSONAL KNOWLEDGE OF ACCARDO,S RACKET AFFILIATIONS AND UNDERWORLD ASSOCIATES. PETERSON ALSO ADVISED HE WOULD BE WILLING TO APPEAR AS WITNESS IN CAPACITY OF OFFICIAL FROM CHICAGO CRIME COMMISSION. HOWEVER HE REQUESTED THAT KERNER CONTACT HIM IN EVENT HIS PRESENCE NEEDED. PETERSON POINTED OUT THAT HE DESIRED TO DISCUSS THE MATTER WITH KERNER PRIOR TO OFFERING ANY TESTIMONY. PETERSON WAS UNABLE TO RECOMMEND ANY OTHER PERSONS WHO WOULD HAVE ANY PERSONAL KNOWLEDGE OF ACCARDO,S REPUTATION. HE ADVISED THAT HE KNEW OF NO PERSON WHO COULD TESTIFY REGARDING BERNSTEIN,S REPUTATION.. KERNER WAS ADVISED OF THESE FACTS AND HE INDICATED NO FURTHER INQUIRIES WOULD BE REQUIRED AT PRESENT TIME AND HE WOULD PERSONALLY CONTACT CAPTAIN HOWE AND VIRGIL PETERSON, EXPLAINING HE WAS PERSONALLY [redacted] ACQUAINTED WITH BOTH OF THEM, HAVING KNOWN THEM OVER PERIOD OF TIME. NO FURTHER ACTION BEING TAKEN BY THIS OFFICE IN THIS REGARD AND SHOULD ADDITIONAL REQUESTS FROM KERNER BE RECEIVED, BUREAU WILL BE NOTIFIED.

MC SWAIN

END AND ACK PLS

cc Mc Abe

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Ladd

DATE: 11-17-48

FROM : A. Rosen

Call: 1:55 PM

SUBJECT: LOUIS CAMRAGNA, et al
BRIBERY, PAROLE MATTERS

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Tele. Room
Mr. Nease
Miss Holmes
Miss Gandy

SAC McSwain of the Chicago Division telephonically advised he received a letter from USA Kerner stating that the Grand Jury had requested [redacted] in connection with the trial of the above case. Mr. McSwain advised that the name of the last person on this list whose [redacted] Mr. McSwain advised that he did not know what they had in mind in connection with this request.

I advised Mr. McSwain to tell the USA that we have no [redacted] available and that the only way we could get one would be to ask him directly for it, and that if we did ask him for it we would [redacted] who made the request. I further advised Mr. McSwain that the USA's office could obtain this [redacted] as easily as we could since [redacted] of the Department of Justice.

b3

INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 3/6/95 BY SP5 alw

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INDEXED - 96

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6 NOV 19 1948

1951

EX-76

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FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

NOV 21 1948

TELEMETER

WASH 1 FROM CHICAGO 21 1-03 PM

DIRECTOR URGENT

ATTENTION : [redacted] DIRECTOR A. ROSEN

LOUIS CAMPAGNA, WAS ET AL BRIBERY, PAROLE MTTERS. BERNSTEIN-ACCARDO CASE GIVEN TO JURY TWELVE-TWENTY FIVE PM NOVEMBER TWENTY LAST AND A VERDICT OF NOT GUILTY AS TO BOTH DEFENDANTS WAS RETURNED AT ELEVEN AM TODAY

MC SWAIN

END AND ACK PLS

3/6/95 SP5 a/cw

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EX-76

58-2000-1952

CG

TELETYPE

WASH 4 FROM CHICAGO 22 11-24 A PL

DIRECTOR AND SAC LOS ANGLES

ATTENTION: ASST. DIRECTOR A. ROSEN

LOUIS CAMPAGNA, WAS, ETAL. BRIBERY; PAROLE MATTERS. RE LA

CONFERENCE TELETYPE TO DIRECTOR, ATTENTION IDENT. DIVISION AND

CGO DATED OCT. TWENTYONE LAST UNDER CAPTION IGNATIUS SPACCHESI,

WAS, NED BAKES AND IGNATIUS SPACHESI, INFO. CONCERNING. ON

EVENING OF OCTOBER TWENTYONE LAST CAPTAIN ANDREW AITKEN, CHICAGO PD, CONTACTED THIS OFFICE AND [redacted] ADVISED THAT ONE NED BAKES HAD BEEN PICKED UP BY THE LOS ANGELES PD AND THAT THE US MARSHAL, CHICAGO, HAD A SUBPOENA FOR [redacted] BAKES. HE ADVISED THAT A STOP HAD BEEN PLACED WITH THE CHICAGO PD BY THE MARSHAL'S OFFICE. HE REQUESTED THE MARSHAL'S HOME PHONE NO. IN ORDER THAT HE COULD CONTACT THE MARSHAL AND FURNISH HIM WITH THIS INFORMATION AND ALSO ADVISED THAT HE HAD ADVISED CONGRESSMAN BUSBEY OF THE INFORMATION RECEIVED FROM THE LA PD. UNLESS ADVISED TO THE CONTRARY BY THE BUREAU, THIS OFFICE WILL NOT CONTACT THE CGO PD TO DETERMINE WHETHER BAKES IS THE MYSTERIOUS WITNESS IN THE RAGEN MURDER OF NINETEEN FORTYSIX AS REQUESTED BY LA OFFICE INASMUCH AS THE PD HAS ALREADY BEEN ADVISED BY THE LA PD OF THE ARREST OF NED BAKES AND SHOULD HAVE KNOWLEDGE AS TO WHETHER HE IS OR IS NOT WANTED BY THE CGO PD AS THE MYSTERIOUS WITNESS IN THE [redacted] RAGEN MURDER.

SF 2000-1953

58-2

TOP DEAL

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

NOV 16 1948

TELEMETER

WASHINGTON 3 AND CHICAGO 1 FROM LOS ANGELS 16 10-28 AM

DIRECTOR AND SAC URGEENT CONFERENCE

ATTENTION ASSISTANT DIRECTOR A. ROSEN.

LOUIS CAMPAGNA, WAS., ET AL, BRIBERY, PAROLE MATTERS. LA EXAMINER NEWSPAPER [redacted] TODAY GAVE FRONT PAGE PUBLICITY TO RELEASE OF JOHN ROSELLI FROM LA COUNTY JAIL WITH STORY HEADLINED, QUOTE, BIOFF ASSOCIATE FREED AS PAROLE RESTORED, UNQUOTE. ARTICLE REFLECTS INFO THAT ROSSELLI-S ATTORNEYS, OTTO CHRISTENSEN AND FRANK DESIMONE, ARGUED BEFORE WASHINGTON PAROLE BOARD FOR ROSSELLI-S RELEASE AND THAT US PAROLE BOARD IN BRIEF NOTICE TO US MARSHAL, [redacted] ROBERT [redacted] CLARK, IN LA, ORDERED ROSELLI-S IMMEDIATE RELEASE. THE ORDER WAS, QUOTE, INSUFFICIENT EVIDENCE TO JUSTIFY THE PREVIOUS PAROLE REVOCATION ORDER, UNQUOTE. NO INQUIREXXX INQUIRIES HAVE BEEN MADE HERE OF USM OR USA. NO FURTHER INVESTIGATION BEING CONDUCTED HERE AND CASE IS CONSIDERED CLOSED IN THE [redacted] ABSENCE OF BUREAU OR CHICAGO INSTRUCTIONS.

HOOD

END ACK PLS

62 DEC 3 1948

EX-98

58-[illegible] 1954

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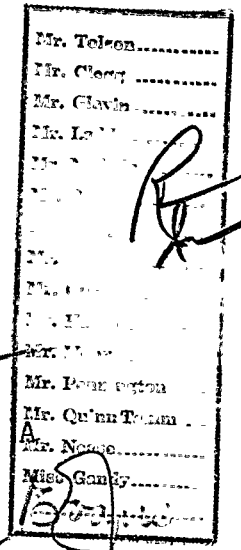
23 NOV 22 1948

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

NOV 18 1948

TELEMETER



WASHINGTON 2 FROM CHICAGO 18 10-09 AM

CONF TO DIRECTOR AND SAC LOSANGELES URGENT

ATTENTION ASSISTANT DIRECTOR A. ROSEN

G. I. R. -7

LOUIS CAMPAGNA, WAS, ETAL, BRIBERY, PAROLE MATTERS. RE LA TEL NOVEMBER SIXTEEN LAST. UNLESS ADVISED TO THE CONTRARY BY THE BUREAU, LA IS REQUESTED TO INCORPORATE IN AN INVESTIGATIVE REPORT ALL INVESTIGATION CONDUCTED TO DATE WHICH HAS NOT BEEN PREVIOUSLY REPORTED CONCERNING LA-S INVESTIGATION OF THE ACTIVITIES AND ASSOCIATES OF JOHN ROSELLI.

58-2001-1955

F B I

3 NOV 19 1948

RECORDED - 55

MC SWAIN

LA TO BE ADVISED

EX-98

END

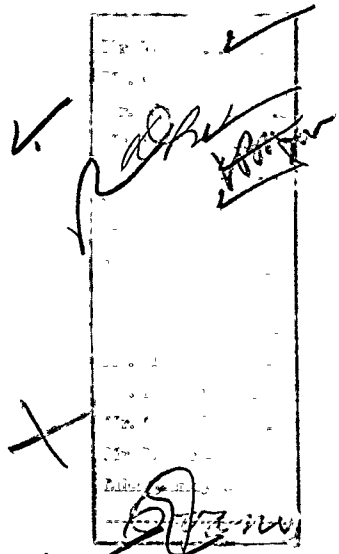
62 DEC 3 1948

3/6/95 SRT a/cw

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

NOV 23 1948

TELEMETER



WASH 17 FROM CHICAGO 23 9-36 PM FGK

DIRECTOR, FBI ATT: ASSISTANT DIRECTOR A. ROSEN

LOUIS CAMPAGNA, WAS, ET AL, BRIBERY, PAROLE MATTERS. PAUL DE LUCIA RELEASED BY FEDERAL JUDGE MICHAEL L. IGOE AFTER USA STOOD ON HIS PREVIOUS ~~ARGUMENT~~ ARGUMENT COURT HAD NO JURISDICTION. USA KERNER ADVISED HE INTENDS TO APPEAL JUDGE IGOE'S DECISION TO US CIRCUIT COURT APPEALS.

RECORDED - 139 158-2000-1956
EX-100 6 NOV 30 1948

MC SWAIN

END AND ACK PLS

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

NOV 17 1948

TELEMETER

WASH 12 FROM CHICAGO 17 5-50 PM FGK

DIRECTOR, FBI URGENT

ATT,N: ASSISTANT DIRECTOR A. ROSEN

3/6/95 sesa/ar

LOUIS CAMPAGNA, WAS, ETAL , BRIBERY, PAROLE MATTERS. TRIAL OF EUGENE BERNSTZIN AND ANTHONY ACCARDO CONTINUED THIS MORNING BY GOVERNMENT,S RESUMING ITS DIRECT EXAMINATION OF MR. CHAUNCEY J. BISHOP. THE NEXT GOVERNMENT WITNESS CALLED WAS WILLIAM J. SHEEHAN, EIGHTEEN ZERO NINE LINCOLN PARK WEST, CHICAGO, ILL., WHO TESTIFIED THAT HE IS A SPECIAL INVESTIGATOR OF THE ALCOHOL TAX UNIT, U. S. TREASURY DEPT., ASSIGNED EXCLUSIVELY TO HANDWRITING AND FINGERPRINT EXAMINATION. E.V.R.17 HE HAS BEEN MAKING HANDWRITING EXAMINATION FOR THE PAST TWENTY YEARS AND HAS TESTIFIED IN AT LEAST THIRTY FIVE CASES CONCERNING HIS OPINION ON HANDWRITING [redacted] EXAMINATION. HIS EXPERIENCE CONSISTS OF [redacted] HIS MANY YEARS OF EXPERIENCE PLUS MANY BOOKS WHICH HE SAID HE HAD READ ON THE SUBJECT, [redacted] MENTIONING ONLY ONE, THAT BEING [redacted] OSBORNE,S. SHEEHAN,S QUALIFICATIONS WERE NOT [redacted] CHALLENGED BY THE DEFENSE OR THE COURT. SHEEHAN TESTIFIED THAT HE HAD COME TO THE CONCLUSION THAT THE SAME INDIVIDUAL WHO SIGNED THE NAME EUGENE BERSTEIN IN ONE INSTANCE SIGNED THE ADDRESS ONE THREE NINE NORTH CLARK STREET OPPOSITE THE NAME JOSEPH BULGER. IMMEDIATELY AFTER THIS STATEMENT BY SHEEHAN, ATTORNEY BIOSSAT , REPRESENTING THE DEFENDANT BERNSTEIN, ROSE AND [redacted] OFFERED TO STIPULATE WITH THE GOVERNMENT THE FACT THAT EUGENE BERNSTEIN IN FACT SIGNED THE ADDRESS ONE THREE NINE NORTH CLARK STREET FOLLOWING THE NAME JOSEPH BULGER. THIS FACT WAS SO STIPULATED

EX-100 RECORDED 139 58-2[illegible]-1957
INDEXED - 139
30

IN THE RECORD. AFTER THE STIPULATION, SHEEHAN WAS SUBJECTED TO CROSS EXAMINATION BY DEFENSE ATTORNEY CALLAGHAN. FOLLOWING MR. SHEEHAN FOR THE GOVERNMENT, WAS PAUL DE LUCIA WHO TESTIFIED HE SAW ACCARDO AND BERNSTEIN IN THE PENITENTIARY ON SEVERAL OCCASIONS, AND FOLLOWING DE LUCIA WAS JOSEPH I. BULGER, ONE THEE NINE NORTH CLARK STREET, WHO TESTIFIED THAT HE DID NOT VISIT CAMPAGNA AND DELUCIA AT LEAVENWORTH AND GAVE NO ONE PERMISSION TO USE HIS NAME AND ADDRESSS IN SO VISITING THE INMATES THERE. THE GOVERNMENT RESTED ITS CASE AFTER THE WITNESS BULGER, AT WHICH TIME BOTH DEFENSE ATTORNEYS MADE A MOTION ON BEHALF OF THEIR RESPECTIVE CLIENTS FOR DIRECTED VERDICTS OF [redacted] ACQUITTAL. THIS MOTION WAS FOLLOWED BY ORAL ARGUMENT BY THE DEFENSE AND THE GOVERNMENT, AND AT THE CONCLUSION OF THE ORAL ARGUMENT, FEDERAL JUDGE WALTER J. LA BUY OVERRULED BOOH OF THE DEFENSE [redacted] COUNSEL,S OBJECTION AND ADVISED THAT THE TRIAL WOULD CONTINUE AT TEN AM IN THE MORNING.

MC SWAIN

END AND ACK PLS

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI

DATE: November 16, 1948

FROM : SAC, Atlanta

SUBJECT: LOUIS CAMPAGNA, ET AL
BRIBERY; PAROLE MATTERS;
HABEAS CORPUS PROCEEDINGS

DEFERRED RECORD

On November 15, 1948, this matter was called by Judge E. MARVIN UNDERWOOD, U. S. District Court, Atlanta, and upon motion of the government he allowed additional time, until November 22, 1948, for the government to file its brief. He also indicated that he would allow petitioners approximately three days from November 22 in which to answer the brief submitted by the government.

We will continue to follow instant proceedings and the Bureau and interested offices will be immediately advised of developments.

cc: Chicago
New York

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3/6/95 BY SPSA/aw

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CHICAGO DAILY NEWS
11/18/48

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3/6/95 BY SP5A/aw

Accardo Launches Defense

The defense opened Thursday in the trial of attorney Eugene Bernstein and Tony Accardo, accused of conspiracy in visits to two Capone gang leaders in Leavenworth penetentiary.

They are charged with conspiring to represent Accardo, also a gang member, as attorney Joseph I. Bulger, former mayor of Melrose Park, on trips to see Paul 'The Waiter' Ricca and Louis 'Little New York' Campagna.

Ricca, who is fighting revocation of his parole from a 10-year sentence for a movie industry shakedown, testified in the conspiracy trial before Federal Judge Walter J. LaBuy that Bernstein and Accardo visited him several times at Leavenworth.

Identifies Both

He identified both in court, calling Accardo 'Joe.' The gangster is known also as Joe Batters.

Ricca said the two conferred with him only on income tax matters.

Bulger, the last government witness, testified he never went to see Ricca in Leavenworth.

Letters, Wires Read

Edward J. Ryan, assistant U. S. attorney, then read nine letters and two wires from Bernstein to the warden, referring to his companion on requested visits usually as 'the person who came with me before,' and never giving him a name.

Judge LaBuy overruled defense motions for dismissals.

In his testimony Ricca said he is 50 and lives at 812 Lathrop av., River Forest. He gave his occupation as farming. Ricca has an estate in Kendall County.

Name Changed

Bulger testified he was born Joseph Imbrugio, but his father changed his name to Bulger as a laborer because an Irish contractor could spell it easier that way.

He represented Ricca, Campagna, Charles 'Cherry Nose' Gioe and Phil D'Andrea in their $1,800,000 movie extortion trial in New York. All were paroled after serving a third of 10-year sentences.

The paroles of Campagna and Gioe were set aside. Ricca is fighting revocation of his. D'Andrea, still out of prison, is ill.

58-2000-1959

ENCLOSURE

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI
ATTENTION: MR. A. ROSEN
FROM : SAC, Chicago

DATE: November 22, 1948

SUBJECT: LOUIS CAMPAGNA, was; etal
BRIBERY; PAROLE MATTERS

For the information of the Bureau there are transmitted clippings from the following newspapers, which relate to the captioned matter: Chicago Daily News, 11/18/48, Chicago Herald-American, 11/18/48, Chicago Sun-Times, 11/19/48, Chicago Daily News, 11/19/48 and the Chicago Sun-Times of 11/20/48.

5 ENCL
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EX-49

DEPT OF JUSTICE
FBI

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3/16/95 BY Sp sa/ca

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EX-49

THE CHICAGO AMERICAN

11/28/48

Accardo Counsel Begin Defense

Overruled by Federal Judge La Buy on a move for acquittal after the government had presented its case, counsel for Tony Accardo, Guzik-Ricca-Capone gang lieutenant, and Atty. Eugene Bernstein today launched their defense.

Judge La Buy refused to grant acquittal after Attys. George F. Callahan and Harry A. Blossat claimed the government had failed to prove charges that Bernstein and Accardo conspired to gain admission to Leavenworth penitentiary, for Accardo, using the name of Atty. Joseph I. Bulger, to visit gang chiefs.

Paul Ricca, one of the four gang chiefs granted "quickie" paroles in August, 1947, after visits by Accardo and Bernstein, was the last government witness.

He testified Accardo and Bernstein had visited him with Accardo using the name of Bulger, but that Bulger himself had not called on him.

Bulger testified he did not visit Ricca or any of his three colleagues - Louis (Little New York) Campagna, Charles (Cherry Nose) Gioe and Philip D'Andrea - and that he had not authorized anyone to use his name.

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DATE 5/16/95 BY SP2 A/cw

58-3000-1954

CHICAGO DAILY SUN—TIMES
11/19/48

Denies Accardo posed as lawyer

Atty. Eugene Bernstein took the witness stand Thursday and denied he had ever tried to have Tony Accardo, Capone gang boss, masquerade as a Chicago lawyer during visits he and Accardo made to two convicts in Leavenworth Penitentiary.

On the contrary, Bernstein declared, he told Warden Walter A. Hunter frankly that the man with him was Accardo.

This conflicts with testimony given by the warden.

Bernstein and Accardo are on trial before Judge Walter J. LaBuy in U.S. District Court, accused of falsifying government records by having Accardo sign the visitors' register at the penitentiary with the name of Joseph I. Bulger, a Chicago attorney.

The convicts they visited on nine occasions were Louis "Little New York," Campagna and Paul "The Waiter" Ricca, two of the Caponesters sentenced for their part in the $1,800,000 movie extortion case.

Gets references

During the hearing, Bernstein got a "good character" reference from two prominent Chicago jurists.

Edward S. Scheffler, chief justice of Municipal Court, and Circuit Judge Harry M. Fisher took the stand to uphold Bernstein's reputation for "honesty and integrity."

Bernstein testified he was retained by the wives of Campagna and Ricca to aid in settling the $800,000 income tax liens filed against them by the government.

He said that he had talked to Bulger, who promised to send him a man who knew the two prisoners and had information concerning their incomes. Accardo then came to Bernstein.

Compromise

Bernstein said he had to have Accardo with him on the visits to the penitentiary because "he got along better with Campagna and Ricca" and knew their income tax situation.

Questioned about the first visit to the penitentiary, Bernstein said that Warden Hunter had called him into his office.

"In the conversation," said Bernstein, "the warden asked the name of the man with me. I told him it was Accardo, and asked the warden if he wanted to talk to him. He said no, that it was all right for anyone to be along who could help me!"

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58-2000-1959

ENCLOSURE

CHICAGO DAILY NEWS
11/19/48

Fusco Heard By Jury in Parole Quiz

Joe Fusco, former public enemy who now operates a brewery and several wholesale liquor firms, appeared Friday before the special federal grand jury investigating the paroles of four Capone hoodlums.

The grand jurors have been meeting periodically on the release of Paul 'The Waiter' Ricca, Louie 'Little New York' Campagna, Charles 'Cherry Nose' Gioe and Phil D'Andrea after serving a third of 10-year sentences for a $1,800,000 movie industry shakedown.

It was not revealed what Fusco's role in the inquiry might be. He once ran alley breweries for the Capone syndicate.

A disorderly conduct charge against Fusco was dismissed Wednesday in S. State St. Court after he was arrested on a 'routine pickup' Tuesday by Sgt. Frank Pape.

The paroles of three of the gangsters were revoked. Campagna and Gioe are back in prison, and Ricca is fighting his return. D'Andrea is ill.

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ENCLOSURE

CHICAGO DAILY SUN—TIMES
11/20/48

Testimony in trial of Accardo ends

Testimony in the six-day trial of Attorney Eugene Bernstein and Tony Accardo, former Capone associate, came to an end when both government and defense rested shortly before noon Friday.

The two were charged in the court of Judge Walter J. LaBuy, U.S. district court, with falsifying penitentiary records by having Accardo pose as Joseph L. Bulger, a Chicago lawyer, in visits to Leavenworth penitentiary.

Case going to jury

Final arguments by both the government and defense are scheduled for Saturday, after which the case will go to the jury.

Bernstein, testifying in his own behalf, said the visits to the penitentiary were to see Louis (Little New York) Campagna and Paul (The Waiter) Ricca, convicted in a $1,800,000 movie extortion case.

Bernstein said he was retained to settle income tax matters for the two, and that Accardo came along because he knew the pair, and had knowledge of their income affairs.

Evidence refuted

Bernstein denied that he suggested Accardo pose as Bulger, even though testimony was presented to show that Accardo had signed the prison register with the name of Bulger. Conversely, Bernstein testified, he frankly told Warden Walter A. Hunter that the man with him was Accardo.

Accardo, as had been anticipated, did not take the stand, and called no witnesses.

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58-2000-1959

ENCLOSURE

FD FORM NO. 64

Office Memorandum · UNITED STATES GOVERNMENT

TO : Director, FBI
ATTENTION: MR. A. ROSEN

DATE: November 22, 1948

FROM : SAC, Chicago

SUBJECT: LOUIS CAMPAGNA, was; etal
BRIBERY; PAROLE MATTERS

For the information of the Bureau there are transmitted clippings from the Chicago Tribune and the Chicago Sun Times of November 21, 1948; and the Chicago Sun Times of November 22, 1948, which relate to the captioned matter.

3 ENCL

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ALL INFORMATION CONTAINED
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DATE 3/6/95 BY SP5-al/ard

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CHICAGO DAILY TRIBUNE
11/24/48

RYAN BRANDS BERNSTEIN AS A 'PERJURER'

Knew of Alias, U.S. Says

A jury in federal District court last night was deliberating the fate of Eugene Bernstein, Chicago attorney and former 24th ward Democratic politician, and Tony Accardo, assistant Capone gang boss. Both have been on trial before Judge Walter J. LaBuy on charges of conspiracy and falsification of government records.

Judge LaBuy

The case was given to the jury at 12:30 p.m. after Edward J. Ryan, assistant United States attorney, in his closing argument, had charged Bernstein with committing prejury on the stand. The jury went out to dinner at 6:15 with instructions to resume deliberations at 7:45. Judge LaBuy indicated he would be available in case a verdict was reached.

In his instructions to the jury, Judge LaBuy admonished the jurors that the defendants are presumed innocent until proved guilty.

"If you find that there are two reasonable theories, one that the defendants are guilty, and the other that they are innocent, then it is the policy of the law to find the defendants innocent," the judge said. "The law does not require the defendant to prove his innocence."

10 Prison Visits To Ricca

The charges against the two men grew out of 10 visits they made to two Capone hoodlums, Paul Ricca and Louis Campagna, when Ricca and Campagna were serving 10 year sentences for extortion in Leavenworth peniten-

Tony Accardo (left) and Atty. Eugene Bernstein. (TRIBUNE Photo)

tiary. Accardo signed the name of Joseph I. Bulger, a Chicago attorney, to the prison register.

Ryan denounced as absurd and unworthy of belief Bernstein's testimony that he did not know that Accardo had signed the name of Bulger.

"The picture of Bernstein on the stand was the portrait of a man telling lies," Ryan told the jury. "Bernstein got on the stand and told a series of lies. Then he got off the stand to let several character witnesses take his place and testify that he used to be a man of good reputation for telling the truth, after which he got back on the stand and told more lies."

"Bulger" Mentioned In Letter

Ryan emphasized that in letters Warden W. A. Hunter of Leavenworth penitentiary wrote to Bernstein in reply to Bernstein's letters asking permission to visit the prison, and the warden granted Bernstein permission to visit Ricca and Campagna and to take "Mr. Bulger" with him.

"Those letters put Bernstein on notice that Accardo was representing himself as Bulger," Ryan asserted.

Ryan said that the government had undertaken to prove that Bernstein and Accardo entered into a conspiracy to defraud the United States of a governmental function, and to deprive the warden of Leavenworth penitentiary of the right to determine what visitors might be admitted.

"Tempest In Teapot"

Harry Blossat, attorney for Bernstein, told the jury that the prison warden testified he was willing to permit any one to accompany Bernstein who could help him with handling the income tax claims against the two convicts.

George F. Callaghan, representing Accardo, characterized the charges against Bernstein and Accardo as a "tempest in a teapot."

"All that Accardo did was go to the bastile to visit a couple of friends," Callaghan said.

If convicted, the defendants face a possible sentence of 42 years in prison and $50,000 fines.

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CHICAGO DAILY SUN—TIMES
11/21/48

Accardo, Bernstein wait jury

The case of Atty. Eugene Bernstein and Tony Accardo, former Capone associate, went to the jury in the U.S. District court of Judge Walter J. LaBuy shortly after noon Saturday.

The men are charged with falsifying penitentiary records by having Accardo pose as a Chicago lawyer in visits to Leavenworth Penitentiary.

Denounces defense

Before the case went to the jury, Asst. U.S. Attorney Edward Ryan denounced the Bernstein-Accardo defense as "made up of lies."

Bernstein's testimony, especially, said Ryan, "was that of absolute lies."

He asserted that Victor N. Downing, a prison guard, testified that when Bernstein was asked the name of his companion on his visits to the penitentiary, he gave the name as "Joseph Bulger."

He pointed out that there were several discrepancies in Bernstein's testimony and actions at the prison. One of these was that Bernstein always signed his name first on the prison register so that he would not have to see the name of "Bulger" above his.

Talked about tax

Bernstein's lawyer, Harry Biossat, criticized Ryan for calling his client a liar.

"The only function of lawyers is to point out the evidence," he said. "It is not their function to say liars and perjurers."

He recalled that another guard, Glenn A. Jones, had testified that there was not a word of conversation between the lawyer and the inmates that did not refer to income taxes.

Noting the testimony of various character witnesses for Bernstein, Biossat said, "It would be unusual for a man with Mr. Bernstein's good character and wide law experience to suddenly develop a criminal tendency."

Another defense lawyer, George Callaghan, said the whole case was "a tempest in a teapot."

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ENCLOSURE

CHICAGO DAILY SUN—TIMES
11/22/48

Accardo jury tells why two were freed

Jurors who acquitted Tony Accardo and Atty. Eugene Bernstein disagreed on the way they agreed.

Some said the verdict was reached amid confusion. Others said everything was clear to everybody.

Accardo, Chicago underworld leader, and Bernstein were found not guilty of falsifying federal prison records on visits with former Capone gangsters at Leavenworth penitentiary.

The jury reached its decision Sunday morning after 22 hours and 15 minutes of deliberation. About an hour before the agreement, the jurors asked U.S. Dist. Judge Walter J. La Buy for further instructions.

Prosecution task

He told them it was the government's task to prove the men guilty on the evidence presented.

"I thought the whole case was very clear," said juror Mrs. Elva Mary Brook, of 7629 East lake Terr. "There wasn't any real wrangling. We were limited more or less as to what we could do because of the judge's instructions."

"They (the other jurors) were not clear on the issues and points of law involved," said Miss Sarah Radcliffe of 110 Chicago Ave., Oak Park.

"As a matter of fact they were confused," she asserted.

Mrs. Catherine V. McSherry of 10325 Indiana Ave. said uncertainly that she believed the acquittal verdict was reached because the defense offered more evidence.

Erwin E. Hammer of 6135 N. Tripp Ave. described it as "a very intelligent jury--not all confused." He added, "The verdict speaks for itself."

In the trial, Bernstein testified that he and Accardo visited Raul (The Waiter) Ricca and Louis (Little New York) Campagna at Leavenworth about income tax matters. He denied having arranged for Accardo to pose as Atty. Bulger.

Movie extortion

At the time of the visits, Ricca and Campagna were serving sentences for taking part in a $1,800,000 movie extortion plot. They were paroled later and now the government is attempting to revoke the paroles.

Bernstein received the jury's verdict, which came on a sixth ballot, with sobs. Accardo, who did not testify in the trial, smilingly shook hands with his counsel, George F. Callaghan.

Despite his underworld connections, Accardo has never served time. The attorney whose name he was accused of using is Joseph I. Bulger, once a representative for Campagna and Ricca.

Asked what the jurors thought about government testimony that Accardo had signed the penitentiary register as Atty. Joseph I. Bulger of Chicago, Miss Radcliffe explained:

"Well, the judge told us it made no difference about the name. But to me, the whole thing was a farce. The minority was left with no redress. It had to concede." (Before the final ballot the vote was nine to three for acquittal.)

'A hung jury'

Mrs. Hannah Schintz of 7942 Dante Ave., remarked, "You must realize we were a hung jury for quite a while. Very much point was made of the signature on the register. But after all, even the warden himself said it didn't make any difference to him who signed the register."

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ENCLOSURE

LEFT: Former gang leader Tony Accardo (right) accepts congratulations of defense Atty. George F. Callaghan after acquittal by Federal jury. RIGHT: Also tried on charge of falsifying prison records, Atty. Eugene Bernstein (right) thanks Erwin Hammer, foreman of jury that acquitted him. (SUN-TIMES Photos)

ED FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI
ATTENTION: MR. A. ROSEN

DATE: November 23, 1948

FROM : SAC, Chicago

SUBJECT: LOUIS CAMPAGNA, was; etal
BRIBERY; PAROLE MATTERS

For the information of the Bureau there are transmitted clippings from the Chicago Sun-Times and the Chicago Daily News of November 22, 1948, which relate to the captioned matter.

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DATE 3/16/95 BY SP5 CA/AW

CHICAGO DAILY SUN—TIMES
11/22/48

Acquit Accardo, Bernstein; jury ponders 23 hours

(Another picture on page 19)

Tony Accardo, a big shot of the Chicago underworld, and Atty. Eugene Bernstein were acquitted of falsifying records at Leavenworth penitentiary.

After nearly 23 hours' deliberation, a jury in the U. S. District court of Judge Walter J. La Buy found them not guilty of charges resulting from their frequent visits to two Capone ites, Louis "Little New York" Campagna and Paul "The Waiter" Ricca.

Campagna, Ricca and two other ex-gang members, Phil D'Andrea and Charlie "Cherry Nose" Gioe, were then serving sentences for their part in a $1,000,000 movie extortion racket.

9 instances charged

During the trial, Bernstein was accused of having suggested to Accardo that he sign the name of Joseph Bulger, a Chicago attorney, on the penitentiary's visitor's register. Nine times, according to the government, Accardo used this name, thus dodging the federal rule that prison inmates could be visited only by members of their family or lawyers.

Bernstein denied this. He testified that he always signed the prison register first and did not see what name Accardo signed. Accardo did not testify at the trial.

The jury, after hearing Edward Ryan, assistant U.S. attorney, denounce the defense as "lies" and the defense attorneys call the case a "tempest in a teapot," retired at 12:30 p.m. Saturday.

On the first ballot, according to the foreman, Erwin E. Hammer, 6135 N. Tripp Ave., the jurors were divided. Except for an hour's dinner Saturday night, they continued their deliberations.

Ask instructions

On Sunday morning, after they had reached a nine-to-three ballot for acquittal, they asked Judge LaBuy for further instructions.

He gave them what lawyers often refer to as "shotgun instructions." They are the ones read to the jury in the famed Allen vs. U.S. murder trial of 1896 and are often read to juries which have been deliberating for hours without reaching a decision.

In them, Judge LaBuy said,

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ENCLOSURE

CHICAGO DAILY SUN—TIMES
11/22/48

Accardo's lawyer, Eugene Bernstein (right), also goes free. He gratefully shakes hands with jury foreman Erwin Hammer. (SUN-TIMES Photo)

ALL INFORMATION CONTAINED
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DATE 3/16/95 BY SP5A/AS

Acquit Accardo, lawyer

(continued from page 3.)

"In all cases absolute certainty cannot be expected. You must consider the case must be decided at some time. The burden of proving the defendants' guilt is upon the government. They must be presumed innocent until they are proven guilty."

After getting these final instructions, the jurors took another ballot. Then they were ready for their "not guilty" verdict. William H. Burke, one of the jurors, said that on the evidence presented and "the charge given us by the judge" we feel the acquittal verdict was the only verdict."

Otto Kerner, Jr., U.S. attorney, said in criminal cases where a defendant has been found not guilty, no prosecution appeal is possible.

'last sputter'

The end of the Accardo-Bernstein case seemed to be the last sputter of the legal and political fireworks that started when the four Caponeites were paroled from Leavenworth in October, 1947, after serving about one-third of their 10-year terms.

These paroles prompted a congressional committee inquiry in which Fred E. Busbey, recently defeated Illinois Republican, took the lead.

At one of the hearings Bernstein testified that he handled the settlement of income-tax claims against Ricca and Campagna. He said that people he never saw before came into his law office and left bundles of cash totaling $128,000 for payment of the tax claims.

In the trial, Bernstein insisted that the only reason he visited the gangsters in the penitentiary was to confer on tax matters.

Tony Accardo (right), former Capone associate, is all smiles after acquittal by federal jury. He is congratulated by defense Atty. George F. Callaghan. (SUN-TIMES Photo)

ENCLOSURE

CHICAGO DAILY NEWS
11/22/48

Acquittals Fail to Halt Quiz

The government's investigation into the paroles of four Capone hoodlums was still a thriving activity Monday despite the acquittal of Tony Accardo, deputy Capone gang chief, and Attorney Eugene Bernstein.

A Federal Court jury of seven women and five men found the pair not guilty Sunday of falsifying prison records to visit two old-time Capone lieutenants in Leavenworth penitentiary.

The jury deliberated more than 21 hours before returning their verdict to Federal Judge Walter J. LaBuy.

Answer Due

Meanwhile, U.S. Attorney Otto Kerner, who prosecuted the government's case against Accardo and Bernstein, was due Monday to file an answer to Paul 'The Waiter' Ricca's petition for a writ of habeas corpus.

Judge LaBuy stayed Ricca's return to the penitentiary when Attorney William Scott Stewart applied for a writ of habeas corpus, alleging the parole board's warrant for Ricca's arrest was illegally issued.

Louis 'Little New York' Campagna and Charles 'Cherry Nose' Gioe already have been returned to prison. Phil D'Andrea is reported ill and not subject to action for the present.

In another phase of the investigation, a federal grand jury still is hearing witnesses in an attempt to learn how the gangsters won their freedom.

Accardo was accused of entering the prison 11 times to confer with Ricca and Campagna under the name of Attorney Joseph Bulger. Bernstein was accused of conspiring in the plot.

Meetings Arranged

Bernstein, former 24th ward Democratic politician, arranged the meetings to work out a tax settlement between Ricca and Campagna and the government.

When the verdict was returned, Bernstein's voice choked as he received the congratulations of friends.

Accardo showed little emotion. He smiled slightly and spoke in low tones to his attorney, George F. Callaghan. He refused to comment on the trial.

Erwin E. Hammer, 6135 N. Tripp av., jury foreman, said the verdict was reached on the sixth ballot.

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ENCLOSURE

CHICAGO DAILY SUN—TIMES
11/18/48

Accardo set to tell his side Thursday

The defense of Tony Accardo, former Capone associate, and Attorney Eugene Bernstein, charged with slipping Accardo into the visiting line at Leavenworth Penitentiary by posing him as a Chicago lawyer, is expected to open Thursday morning.

The government rested its case Wednesday before Judge Walter J. LaBuy in U.S. District Court.

Otto Kerner Jr., U.S. attorney, seemed satisfied with his proof that Accardo had posed as Atty. Joseph I. Bulger on nine occasions when he visited Louis "Little New York" Campagna and Paul "The Waiter" Ricca at the penitentiary. Bernstein is accused of aiding this deceit.

Campagna and Ricca are two of the former Capone associates convicted in the $1,800,000 shakedown plot against movie company owners. Their "quickie" paroles, after minimum sentences were served, aroused a government investigation of possible fraud.

Although suffering a series of setbacks in judicial rulings at the Wednesday session of the Accardo-Bernstein trial, the government did succeed in establishing beyond doubt that Accardo was the man who went to Leavenworth with Bernstein and posed as Bulger.

Ricca himself testified that both Accardo and Bernstein had visited him at the penitentiary.

Mr. Tolson
Mr. Clegg
Mr. [illegible]
[illegible]
Mr. [illegible]
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

Jill

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FEDERAL BUREAU OF INVESTIGATION
NOV 18 1948
U. S. DEPARTMENT OF JUSTICE
CHICAGO, ILLINOIS

JUDGE REFUSES ACQUITTAL PLEA IN CAPONE CASE

Jury Will Decide Fate of Prison Visitors

BY JAMES DOHERTY

Judge Walter J. LaBuy ruled in federal District court late yesterday that the jury must pass on the guilt or innocence of Eugene Bernstein, attorney, and Tony Accardo, whose prison visits to Paul Ricca and Louis Campagna led to their indictment and trial on a charge of conspiracy. The ruling came after the government finished its presentation of evidence. The defense will begin its case this morning.

Earlier Ricca, rated as a mafia chief and successor of Al Capone, told of calls made on him in the Leavenworth prison by Bernstein and Accardo, who is regarded as Ricca's second in command and who signed the prison register as Joseph Bulger, attorney, of 139 N. Clark street.

Bulger, who represented Ricca in the New York trial which resulted in 10 year sentences for many of the Capone gang as movie industry extortioners, also testified. He said he was not the visitor who signed his name to the prison register on 10 occasions in 1945, 1946, and 1947.

Contends No Crime Shown

"There has been no crime shown to have been committed," George Callaghan, Accardo's attorney, told LaBuy in support of a motion for directed verdicts of acquittal. "The indictment says that by giving a false name Accardo deprived the warden of the penitentiary of the opportunity to decide whether he was a fit person to be received as a visitor.

"However, on the witness stand here, Warden W. A. Hunter said he never had heard the name of Accardo, and that he would have admitted Accardo, or any one else who accompanied Bernstein, to the prison. There is no requisite that prison visitors furnish certificates of good moral character. No harm was done."

Defends Warden's Powers

Assistant United States Atty. Edward J. Ryan replied that there was and is good reason for Hunter refusing to receive certain kinds of persons as visitors at his prison.

"A person is put in prison for two reasons: to protect society from criminals, and to rehabilitate the convicts, if possible," Ryan said.

"So the warden does not permit persons convicted of crime to call on inmates. He does not permit inmates to carry on their outside business thru persons of bad repute.

"Hunter said he would admit any one who was vouched for by Bernstein.

"Was there a deception of the warden in this case? Can there be any doubt when Bernstein, in writing for permission to visit the convicts, used 10 or 15 words to avoid naming the man he was to take with him? Is there any doubt that each time they went to the prison Accardo signed the name of Bulger on the register, and that Bernstein knew it?

Contends There's No Doubt

"There can't be any doubt. Accardo was fearful that if his true identity was known he would not be allowed to visit in the penitentiary. The warden would not admit any one named Al Capone, Jesse James, or Billy the Kid, as visitors."

Ryan read to the jury letters and telegrams regarding Bernstein's requests to Hunter for permission to call on Ricca and Campagna. Each of Bernstein's letters also asked permission for "the gentleman who accompanied me the last time." In most of Hunter's replies permission was given to Bernstein to bring "Mr. Bulger" with him.

Harry Biossat, attorney for Bernstein, who was connected with the 24th ward Democratic organization told the court that "only income tax matters were discussed on the occasion of every one of those visits."

Visits After Settlement

Biossat's statement apparently referred to evidence at congressional hearings that Accardo's 10 calls on the imprisoned Capone chieftains also had to do with ransom or the raising of a fund to bring about their paroles.

The congressional inquiry brought from Bernstein the admission he settled the government's $670,000 tax claim against Ricca and Campagna for $128,000 on Nov. 1, 1946. The prison visits, it was shown by Ryan, continued to May, 1947, a few months before the granting of the paroles.

Inasmuch as Defense Atty. Callaghan told the jury Accardo may not take the stand in his own defense, Accardo's record as a notorious member of the Capone gang probably will not be given to the jury, the lawyers said.

CHICAGO DAILY TRIBUNE
11/18/48

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Winterrowd
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Holloman
Gandy

CHICAGO DAILY NEWS
11/17/48

Jury to Hear Ricca Today

Paul 'The Waiter' Ricca takes the unusual role of government witness Wednesday in the conspiracy trial of his old gangland pal, Tony Accardo, and attorney Eugene Bernstein.

Ricca faces questioning about joint visits of the defendants to him and Louis 'Little New York' Campagna while the latter were in Leavenworth prison.

Bulger to Testify

Accardo and Bernstein are on trial before Judge Walter J. LaBuy and jury because Accardo allegedly posed as attorney Joseph Imburgio Bulger, former mayor of Melrose Park, on the trips.

Bulger also is to take the stand for the government.

U.S. Attorney Otto Kerner Jr. expected to close his case Wednesday--on the third day of the trial.

The last witness Tuesday was C. J. Bishop, Leavenworth guard, who told of seeing Accardo and Bernstein together in the prison visiting room eight times.

With the jury excluded, rival counsel fought over whether the guard could tell one conversation he had with Bernstein. Judge LaBuy finally ruled that he can give the story to the jury.

The guard said Bernstein identified Accardo as Bulger and added: 'We're business associates.'

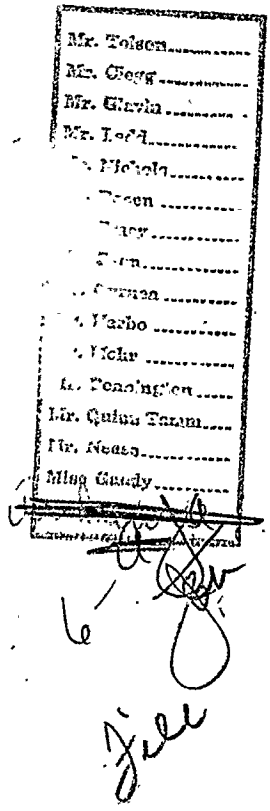
Ricca Case Up Soon

Ricca, too, has business with the government when his parole revocation case comes up again soon.

Kerner must decide whether to let Judge Michael L. Igoe free Ricca on a writ of habeas corpus, then appeal the decision, or agree to a full-dress hearing in the case.

Ricca, Campagna, Charles 'Cherry Nose' Gioe and Phil D'Andrea were paroled from 10-year sentences for a $1,800,000 extortion in the movie industry.

Campagna and Gioe, whose paroles also were set aside, have been returned to prison.



3/6/95 SRS a/cw

CHICAGO DAILY NEWS
11/11/48

Mr. Tolson
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nease
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm

Kerner Studies Ruling Keeping Ricca Free

U. S. Attorney Otto Kerner Jr. Thursday was studying a ruling by Federal Judge Michael L. Igoe under which Paul "The Waiter" Ricca, Capone hoodlum, remained free under $10,000 bond.

In an opinion delivered Wednesday, Judge Igoe held that Ricca will remain free until the government proves he is a parole violator.

Ricca was arrested June 1 on a federal parole board warrant charging him with parole violation. His attorney, William Scott Stewart, filed a habeas corpus petition the same day.

Says Evidence Lacking

Stewart contended the parole board has issued the warrant without evidence.

Judge Igoe issued the writ and set Ricca free under bond pending further hearing.

In his opinion Wednesday, the judge gave the government 10 days to answer Stewart's charges.

Challenge Denied

His decision also denied Kerner's challenge that Ricca should have been returned to prison before hearings were held on whether the parole was violated.

Prosecutor Kerner said he would not comment on Judge Igoe's ruling until he had studied it completely.

Ricca is one of four Capone hoodlums paroled after serving one-third of 10-year sentences for a $1,000,000 movie industry extortion plot.

2 Others Returned

Two of the others, Louis "Little New York" Campagna and Charles "Cherry Nose" Gioe were returned to prison as parole violators.

Federal Judge John P. Barnes ruled the government's procedure was proper in issuing parole board warrants for them.

The fourth hoodlum, Phil D'Andrea, has remained free.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3/6/95 BY SP5A/Cyt

CHICAGO DAILY SUN—TIMES

11/17/48

Mr. Tolson
Mr. Clegg
Mr. Glavin
Mr. Nichols
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

Call Ricca to tell on Accardo

The government plans to send Paul (The Waiter) Ricca to the witness stand Wednesday against Tony Accardo, his old pal and fellow big shot in the hey day of the Capone mob.

Ricca's testimony is expected to close the prosecution's conspiracy case against Accardo and Atty. Eugene Bernstein in U.S. District Court.

Accardo is accused of posing as Atty. Joseph I. Bulger on visits to Leavenworth penitentiary arranged by Bernstein.

Guards previously have testified that Accardo, using the name of Bulger, accompanied Bernstein on visits to Ricca and Louis (Little New York) Campagna. Ricca and Campagna then were serving sentences for taking part in a $1,500,000 movie extortion plot.

They subsequently were paroled and now the government is seeking to have the paroles revoked. Campagna and another of the mob, Charles (Cherry Nose) Gioe, have been returned to Atlanta penitentiary and Ricca is free on bond pending a hearing in U.S. District Court here.

U. S. Dist. Atty. Otto Kerner Jr. is expected to try to establish through Ricca that Accardo made the penitentiary visits in violation of regulations.

Bulger, whose name Accardo is accused of using, also is scheduled to take the stand.

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CHICAGO DAILY SUN—TIMES

11/16/48

Mr. Tolson
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Hunter
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

Warden story aids Accardo

Tony Accardo didn't have to pose as a lawyer, as the government charges he did, to get into Leavenworth penitentiary to visit his old Capone gang pals.

The warden himself so testified in the trial of Accardo and Atty. Eugene Bernstein in U.S. District Court.

The government charges that Accardo posed as Atty. Joseph I. Bulger in accompanying Bernstein on visits with Louis (Little New York) Campagna and Paul (The Waiter) Ricca at Leavenworth.

Walter A. Hunter, the warden, first identified letters and telegrams he received from Bernstein asking permission for himself "and another person" to make the visits.

Then, under questioning by Accardo's attorney, George Callaghan, Hunter said he did not know who Accardo was until he read of him in newspapers.

No misconduct

"Would you have admitted him if you knew who he was?" Callaghan asked.

"Yes, I guess I would," the warden answered.

"You would have admitted anybody accompanying Bernstein regardless of who signed the register?" Callaghan resumed.

"Yes," the warden testified. To other questions he replied that to the best of his knowledge the visits of Bernstein and Accardo did not affect the welfare of the prison inmates and no misconduct resulted.

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CHICAGO DAILY NEWS

11/12/48

Gang Boss, Lawyer Go On Trial

Tony Accardo, a Capone syndicate boss, and Attorney Eugene Bernstein go to trial in Federal Court Friday on charges of illegal visits to convicts.

The two were indicted for conspiracy and for falsifying of government records on trips to see Louis 'Little New York' Campagna and Paul 'The Waiter' Ricca at Leavenworth in 1947.

False Name Charged

Accardo is charged with falsely using the name of Attorney Joseph I. Bulger on the prison register, and Bernstein with aiding him in the alleged plot.

Conviction on the two counts carries a maximum sentence of 12 years.

U.S. Attorney Otto Kerner jr. said he will present at least eight witnesses at the trial before Judge Walter J. La Buy.

Ricca Included

They include Ricca, who is fighting return to prison as a parole violator; Walter A. Hunter, Leavenworth warden; Miss Geneva Cox, Bernstein's secretary; Bulger and three prison guards.

Ricca, Campagna, Charles 'Cherry Nose' Gioe and Phil D'Andrea--all Capone hoodlums--were paroled after serving a third of their 10 year sentences for a $1,800,000 movie industry extortion.

Campagna and Gioe are back in prison as parole violators. No action has been taken against D'Andrea.

Mr. Tolson
Mr. Clegg
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Miss Gandy

3/6/95 SP5a(aw)

THE CHICAGO AMERICAN

11/15/48

Mr. Tolson	
Mr. Clegg	
Mr. Glavin	
Mr. Ladd	
Mr. Nichols	
Mr. Rosen	
Mr. Tracy	
Mr. Egan	
Mr. Gurnea	
Mr. Harbo	
Mr. Mohr	
Mr. Pennington	
Mr. Quinn Tamm	
Mr. Nease	
Miss Gandy	

Warden on Stand in Accardo Trial

Walter A. Hunter, warden of Leavenworth prison, took the ...day in U. S. District ...ne conspiracy trial ...derworld lieutenant ... Accardo and Atty. ...ie Bernstein.

Warden Hunter, who also testified in the congressional and special grand jury investigations of the paroles granted four Guzik-Ricca-Capone hoodlums, was the first of at least eight government witnesses called by U. S. Atty. Otto Kerner Jr.

Accardo and Bernstein, who face maximum sentences of 12 years if convicted on both counts of their indictments, are implicated in the parole cases of Paul (The Waiter) Ricca, Charles (Cherry Nose) Gioe, Phil D'Andrea and Louis (Little New York) Campagna.

Accardo, a syndicate boss, is charged with falsely using the name of Attorney Joseph I. Bulger to get into Leavenworth to interview the four. Bernstein is accused of aiding in the plot.

The federal prosecutor said among witnesses he will call are Ricca; Miss Geneva Cox, secretary to Bernstein; Attorney Bulger and three prison guards.

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 3/16/95 BY SP5 cw/aw

Mr. Tolson
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Mr. Hogan
Miss Gandy

CHICAGO DAILY SUN—TIMES
11/13/48

All smiles as they leave Judge LaBuy's federal courtroom are Atty. George Callaghan and accused Tony Accardo (right), former Capone associate. (SUN-~~TIMES~~ Photo)

Accardo jurors picked

A jury was completed in U.S. District Court to try Tony Accardo, former Capone associate, and Atty. Eugene Bernstein on charges that Accardo impersonated a lawyer and Bernstein helped him.

Judge Walter J. LaBuy said the trial would begin at 10 a.m. Monday.

Accardo's masquerade was said to have been used to get him into Leavenworth Penitentiary for the purpose of visiting Paul (The Waiter)Ricca, also an old Capone aid.

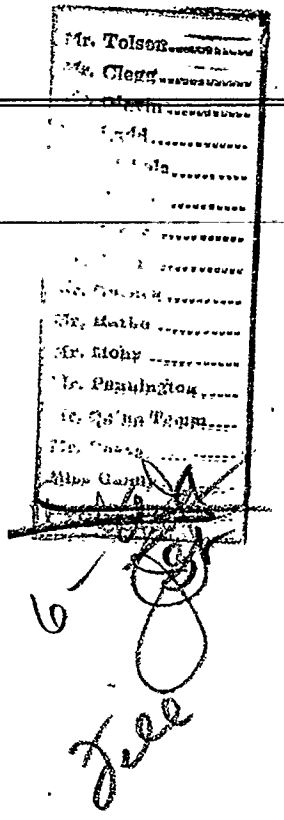
The defense used all 10 of its peremptory challenges, and also excused three women who said they would be prejudiced if Accardo took the stand. The government excused two jurors peremptorily.

Those finally chosen are:

George M. Lathrop Jr. of 4056 W. Washington Blvd., Mrs. Hannah B. Schintz of 7942 Dante Ave., Mrs. Elva Mary Brook of 7629 Eastlake Ter., Michael Wilwers of 2853 N. Racine Ave., Mrs. Anna M. Lindquist of 6724 Octavia Ave., Mrs. Jennie S. Granderson of 5939 S. Throop St., Mrs. Elizabeth T. Eich of 1625 Hollywood Ave., William H Burke of 5029½ W. Quincy St., John B. Persenaire of 10536 S. La Salle St., Catherine McSherry of 10325 Indiana Ave., Miss Sarah Radcliffe of 1104 Chicago Ave., Oak Park, and Erwin Hammer of 6135 N. Tripp Ave.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3/16/95 BY SP5 Cal/Aw

THE CHICAGO AMERICAN
11/13/47



Accardo Trial Places Ricca in Tough Spot

BY CAPT. TOM CONNELLY AND LT. BILL DRURY

Subpenaed to testify in the trial of Tony Accardo, alias Joe Batters, Guzik-Ricca-Capone mob enforcer, and Atty. Eugene Bernstein, Syndicate Chieftain Paul (The Waiter) Ricca finds himself in a ticklish situation today.

Accardo and Bernstein were on trial before Federal Judge La Buy yesterday on charges of making illegal visits to Ricca, while he was a prisoner in Leavenworth penitentiary.

CHARGE IMPERSONATION

Accardo, whose rapid rise in the syndicate has surprised most old time mobsters, impersonated Atty. Joseph I. Bulger in order to visit his chief, the government charges.

If Ricca testifies Accardo did not visit him and Accardo is convicted, there will be a charge of perjury facing the syndicate kingpin and he surely will go back to prison for violating his parole.

If, on the other hand, Ricca takes the stand against Accardo and admits Tony did pay him a call, he will lose face in the syndicate and with all other hoodlum elements. Accardo, of course, won't like it either.

QUICKIE PAROLES

Ricca, Louis (Little New York) Campagna, Charles (Cherry Nose) Gioe and Phil D'Andrea were given paroles after having served only a third of 10-year sentences for a $1,800,000 movie industry extortion.

Gioe and Campagna already have been returned to their cells for violating their paroles. D'Andrea is ill and no move has been made to send him back.

Ricca is now at liberty on a technical fight over jurisdiction between the U.S. Court and the Parole Board.

Members of the jury chosen to try Accardo and Bernstein are:

Mrs. Catherine V. McSherry, 10325 Indiana av.; Miss Sarah Radcliffe, 1104 Chicago av.; Oak Park; Mrs. Elizabeth T. Eich, 1625 Hollywood av.; Mrs. Jennie S. Grandison, 5939 S. Throop st.; Michael Wilwers, 2853 N. Racine av.; Mrs. Hannah Schiatz, 7942 Dante av.; Erwin F. Hammer, 6135 N. Tripp av.; John B. Persenaire, 10536 S. La Salle st.; William H. Burke, 5029 1/2 Quincy st.; Mrs. Anna M. Lindquist, 6774 Octavia av.; Mrs. Elva Mary Brook, 7629 Eastlake ter.; George M. Lathrop Jr., 4016 W. Washington blvd.

ALL INFORMATION CONTAINED
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DATE 3/16/95 BY SP5A/ca

The Attorney General

December 2, 1948

Director, FBI

LOUIS CAMPAGNA, with aliases, ETAL
EXTORTION; PAROLE MATTERS

1962

RECORDED

I am enclosing herewith for your further information in this case photostatic copies of articles published in the Chicago newspapers.

Enclosure

3/6/95 SPSC/CW

SENT FROM D. C.
TIME 1 PM
DATE 12-2-48
BY

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Nease
Mr. Quinn
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Winterrowd
Mr. Quinn Tamm
Tele. Room
Mr. Nease
Miss Gandy

58-2000
CAE:MG

RECEIVED - DIRECTOR
FBI
DEC 2 1948

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI
ATTENTION: MR. A. ROSEN

DATE: November 24, 1948

FROM : SAC, Chicago

SUBJECT: LOUIS CAMPAGNA, was; etal
BRIBERY; PAROLE MATTERS

For the information of the Bureau there are transmitted clippings from the November 23rd issues of the Chicago Daily Tribune, the Chicago Sun-Times and the Chicago Daily News, which relate to the captioned case.

MG
Encs. (3)

3 ENCL

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 3/16/93 BY SP1 C/aw

INDEXED - 83
RECORDED - 83

5 DEC 6 1948

Memo to Att. Gen. 12-2-48 C.A.E.

DECIMAL

CHICAGO DAILY SUN-TIMES

11/23/48

U.S. plans appeal on Ricca

The government still thinks Paul Ricca, convicted movie extortionist, should go back to prison for a parole board hearing.

It has asked that final action in a habeas corpus suit brought by Ricca be taken Tuesday. Then, says U.S. Atty. Otto Kerner, Jr., if Ricca is freed, the government will go to the U.S. Court of Appeals on its contention the lower court doesn't have jurisdiction as far as proof that Ricca violated his parole is concerned. The government has contended that that is up to the parole board, but it lost when U.S. Dist. Judge Michael L. Igoe ruled Ricca was entitled to a full court hearing before he could be taken to Atlanta, Ga., for a parole board hearing.

Ricca was paroled Aug. 13, 1947, with three other former Capone associates after serving one-third of 10-year terms for a million dollar movie industry shakedown. Last June a warrant was issued to bring him back for hearing on charges of parole violation.

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58-2 - 1962

ENCLOSURE

11/23/48

U.S. SETS STAGE TO APPEAL RICCA RULING BY IGOE

BY JAMES DOHERTY

United States Atty. Otto Kerner Jr., gave notice yesterday that the government will refuse to tell Federal Judge Michael L. Igoe its reasons for seeking a revocation of the parole of Paul Ricca, chief of the Capone syndicate and one of the convicts whose release last year started a congressional investigation that is not yet concluded. The department of justice is then prepared to appeal from any order by Igoe setting Ricca free on a writ of habeas corpus, Kerner indicated.

The trial last week of Eugene Bernstein and Tony Accardo, on charges of conspiracy in connection with visits to Ricca in prison, had kept the government prosecutors from acting on Igoe's ruling of Nov. 10, Kerner explained. Bernstein, an attorney, and Accardo, assistant gang chief, were acquitted Sunday.

Igoe Overruled Demurrer

Igoe had overruled a demurrer filed by Kerner to the pleadings of Ricca, thru Atty. William Scott Stewart, that the federal parole board be compelled to disclose the evidence on which it based a warrant calling Ricca a parole violator.

A document was filed yesterday with the court clerk, stating that the government elects to stand on its demurrer—which, in effect, is a declaration that the law does not require an explanation of why a warrant is issued by the parole board, and that therefore Igoe was without jurisdiction. Kerner's notice had the effect of asking Igoe to enter a final order today, an order from which an appeal will be taken.

Kerner said he had no further action to take against Bernstein and Accardo—that the government cannot appeal from a not guilty verdict.

Call Before Jury Hinted

Whether they would now be summoned before the special grand jury and asked to tell some of the financial secrets of the paroles granted Ricca and four other Capone gangsters would be decided later, it was said.

In the event of the expected decision by Igoe, Ricca will remain free pending a decision by the Circuit Court of Appeals. Ricca was seized June 16 by deputy marshals at his River Forest home. Igoe issued a writ of habeas corpus which brought about Ricca's release on bail from the county jail that same day.

It was over the right of the parole board to issue the warrant [illegible] subsequent legal arguments.

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88-2000-1962

ENCLOSURE

CHICAGO DAILY NEWS

11/23/48

Ricca Freed On Legal Issue

Paul 'The Waiter' Ricca, Capone gangster whose prison parole was revoked by the government, walked from Federal Court here a free man--for a while, anyway.

Judge Michael L. Igoe freed the poker-faced hoodlum when U.S. Attorney Otto Kerner Jr. stood on his argument that the court had no jurisdiction.

Kerner immediately appealed the ruling to the U.S. Circuit Court of Appeals.

2 Back in Prison

Two of Ricca's henchmen--Louis 'Little New York' Campagna and Charles 'Cherry Nose' Gioe--have been returned to prison as parole violators.

The three, plus Phil D'Andrea, were paroled after serving a third of their 10-year sentences for a $1,800,000 extortion of the movie industry.

No action has been taken against D'Andrea, still at liberty.

Judge Igoe acted after Assistant U.S. Attorney John Lulinsky asked for a final order in the case.

Otherwise, the government would have been drawn into a full-dress hearing on legality of the parole board's action in revoking the parole.

U.S. Contention

The government has contended that, under the law, the parole board does not have to defend a revocation, but can return a parolee to prison and give him a hearing.

Only after such a hearing, it has argued, can the convict appeal outside to the courts.

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DATE 5/6/93 BY SP5A/aw

62-2000-1962

ENCLOSURE

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

NOV 19 1948

TELEMETER

Mr. Tolson
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. [illegible]
Mr. [illegible]
Mr. [illegible]
Mr. [illegible]
Mr. Garnett
Mr. [illegible]
Mr. [illegible]
Mr. Penn
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

WASH 12 FROM CHICAGO 19 8-26 PM

DIRECTOR, FBI URGENT

ATTENTION: : : ASST. DIRECTOR A. ROSEN

LOUIS CAMPAGNA, WAS, ETAL, BRIBERY, PAROLE MATTER. TRIAL OF EUGENE BERSTEIN AND ANTHONY ACCARDO CONTINUED THIS MORNING BEFORE JUDGE LA BUY BY NINE CHARACTER WITNESSES BEING CALLED ON BEHALF OF DEFENDANT BERNSTEIN. FOLLOWING THE CHARACTER WITNESSES THREE REPRESENTATIVES OF THE BUREAU OF INTERNAL REVENUE AND ONE CHICAGO CPA TESTIFIED BRIEFLY FOR THE DEFENDANT BERNSTEIN SUBSTANTIATING HIS TESTIMONY THE DAY PREVIOUS THAT HE HAD IN FACT HANDLED INCOME TAX PROBLEMS FOR LOUIS CAMPAGNA AND PAUL DE LUCIA. AFTER THE AFORE MENTIONED WITNESSES THE DEFENDANT BERNSTEIN RESTED HIS CASE AND FOLLOWING THAT THE DEFENDANT ACCARDO RESTED WITHOUT CALLING ANY WITNESSES IN HIS BEHALF. GOVERNMENT ATTORNEYS AND DEFENSE ATTORNEYS SPENT THIS AFTERNOON IN JUDGE LA BUY'S CHAMBERS WHERE THE ATTORNEYS ARGUED ON JURY INSTRUCTIONS. MOTIONS FOR DIRECTED VERDICTS OF AQUITTAL ON BEHALF OF BERSTEIN AND ACCARDO WERE OVERRULED BY JUDGE LA BUY. COURT WAS RECESSED UNTIL NINE AM TOMORROW AT WHICH TIME CLOSING ARGUMENTS WILL BE HEARD.

END OF PAGE ONE

RECORDED 87 58-2000-1963
EX-71

REURTEL NOVEMBER EIGHTEEN, LAST REQUESTING ADVICE AS TO WHY BUREAU NOT PREVIOUSLY INFORMED THAT SERVICES ATU INVESTIGATOR USED AS HANDWRITING EXPERT. ON NOVEMBER EIGHT, FORTYEIGHT, AUSA RYAN ADVISED THAT ON PRECEDING STARUDYA AFTERNOON WHILE HE AND USA KERNER WERE EXAMINING PRISON REGISTERS MR. KERNER NOTICED TWO SIGNATURES OF QUOTE JOSEPH I. BULGER UNQUOTE WHICH TO MR. KERNER DID NOT LOOK THE SAME AS THE REST OF THE SIGNATURES WHEREUPON THAT AFTERNOON HE GOT IN TOUCH WITH MR. SHEEHAN OF THE ALCOHOL TAX UNIT AND REQUESTED HIM TO COME TO HIS OFFICE TO LOOK OVER THE DOCUMENT. SHEEHAN CAME TO THE OFFICE OF THE USA AND TOOK THE DOCUMENTS WITH HIM. AT THIS TIME THE [redacted]BERNSTEIN ACCARDO TRIAL WAS SCHEDULED FOR THE FOLLOWING MONDAY, NOVEMBER EIGHT. ON NOVEMBER EIGHT, DUE TO THE SUDDEN ILLNESS OF DEFENSE ATTORNEY GEORGE F. CALLAGHAN, THE TRIAL WAS POSTPONED UNTIL FRIDAY, NOVEMBER TWELVE. ON NOVEMBER EIGHT AFTER THE POSTPONEMENT, MR. RYAN ADVISED THERE WAS A POSSIBILITY THEY [redacted]WOULD WANT THE FBI LABORATORY TO MAKE A HANDWRITING EXAMINATION AND AT THIS TIME HE POINTED OUT THEIR EMBARRASSING POSITION IN THAT THE DOCUMENTS WERE IN THE POSSESSION OF ATU AND ADVISED HE DID NOT KNOW WHAT MR. KERNER WOULD DO WITH REGARD TO THIS. LATER MR. RYAN ADVISED MR. KERNER TOLD HIM HE THOUGHT THEY WOULD JUST LET THE MATTER DROP AS THEY WOULD [redacted]PROBABLY NOT NEED ANY HANDWRITING TESTIMONY

FOR THE TRIAL. NO REQUEST WAS MADE OF THIS OFFICE FOR [redacted] HANDWRITING EXAMINATION AND THE MATTER WAS NOT DISCUSSED WITH THE USA,S OFFICE AFTER NOVEMBER EIGHT UNTIL IT WAS MENTIONED BY MR. KERNER ON NOVEMBER SIXTEEN, AT WHICH TIME HE ADVISED THE HANDWRITING ANALYSIS HAD BEEN PERFORMED BY THE ALCOHOL TAX UNIT AND INDICATED THE POSSIBILITY THE ATUMAN WOULD BE CALLED AS WITNESS. MR. SHEEHAN OF THE ALCOHOL TAX UNIT WAS CALLED THE FOLLOWING MORNING AND HIS TESTIMONY IS SET FORTH IN MYTEL, NOVEMBER SEVENTEEN, LAST. THE USA,S OFFICE DID NOT ON NOVEMBER EIGHT OR ANY TIME UNTIL NOVEMBER SIXTEEN ADVISE THIS [redacted] OFFICE THAT AN EXAMINATION HAD ACTUALLY BEEN [redacted] MADE BY THE ALCOHOL TAX UNIT.

MC SWAIN

END AND ACK PLS

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

CC-150

To: COMMUNICATIONS SECTION.

Transmit the following message to: NOVEMBER 23, 1948

58-2000-1964

SAC, CHICAGO URGENT

EX-37

LOUIS CAMPAGNA, WAS, ET AL, BRIBERY, PAROLE MATTERS. REURTEL NOVEMBER ELEVENTH. SUTEL ACTION TAKEN BY USA RE WRIT OF HABEAS CORPUS FILED IN BEHALF OF SUBJECT DE LUCIA.

HOOVER

58-2000

CAE:gjb

ALL INFORMATION CONTAINED
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DATE 3/16/95 BY SP5 CAC

Mr. Tolson
Mr. A. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Hendon
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
NOV 23 1948

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U.S. DEPT OF JUSTICE

58 DEC 10 1948

SENT VIA _____ M Per _____

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U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

NOV 11 1948

TELEMETER

12:30 PM NA WTB

WASHINGTON 1 FROM CHICAGO 11 11-10 AM

DIRECTOR URGENT

ATTENTION OF ASSISTANT DIRECTOR A. ROSEN.

LOUIS CAMPAGNA, WAS., ET AL . BRIBERY, PAROLE MATTERS. FEDERAL JUDGE MICHAEL L. IGOE IN GIVING HIS DECISION WEDNESDAY AFTERNOON ON THE PAUL DE LUCIA HEARING OVERRULED THE GOVERNEMENTS POSITION THAT THE COURT HAD NO JURISDICTION IN THIS CASE AND GAVE THE GOVERNMENT TEN DAYS TO ANSWER THE CHARGES ADVANCED BY PAUL DE LUCIA-S ATTORNEY WILLIAM SCOTT STEWART, WHO HAS ARGUED THAT THE FEDERAL PAROLE WARRANT WAS ISSUED BY THE PAROLE BOARD WITHOUT RELIABLE INFORMATION THAT DE LUCIA HAD VIOLATED HIS PAROLE.

MC SWAIN

END

ACK PLS

Tel to Gm 11-23-48 cae

EX-37

62-20010-1964

29 1948

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

NOV 23 1948

TELEMETER

CGO 1 FROM WASH DC 23 2-42 PM

SAC URGENT

LOUIS CAMPAGNA, WAS, ETAL, BIXX BRIBERY, PAROLE MATTERS. REURTEL NOVEMBER ELEVENTH. SUTEL ACTION TAKEN BY USA RE WRIT OF HABEAS CORPUS FILED IN BEHALF OF SUBJECT DE LUCIA.

HOOVER

END

3/6/95 SRS a/aw

CHICAGO DAILY TRIBUNE
11/24/48

RICCA SET FREE IN PAROLE CASE ON IGOE ORDER

BY JAMES DOHERTY

Paul Ricca, wealthy head of the local Capone syndicate, whose parole from a 10 year prison sentence was ordered revoked, won a freedom order from Federal Judge Michael L. Igoe, yesterday.

While the order is not final, as an appeal is to be taken which will bring the case eventually to the United States Supreme court, Ricca is assured of a year or more of liberty. Two of his companions in crime, Louis Campagna and Charles Gioe, who were paroled with him, are back in the federal penitentiary at Atlanta.

Ricca, who used the aliases of DeLucia and Salvi, was the first to be rearrested of the gangsters paroled Aug. 13, 1947. He was in jail only a few hours. Campagna and Gioe were reimprisoned last July 23.

Campagna Plea Rejected

Ricca fared better than his fellow parolees because his attorney, William Scott Stewart, obtained a writ of habeas corpus from Igoe, in time. Campagna was denied freedom under the same circumstances by Federal Judge John P. Barnes. Gioe was hustled out of the city before a writ could be sought.

However Gioe and Campagna have a habeas corpus case pending in the United States District court at Atlanta, and Campagna has an appeal pending here from the decision of Judge Barnes.

Stewart, who represented these three gangsters, and Phil D'Andrea, who was convicted with them of extorting $1,800,000 from motion picture producers, filed a petition for the release of all four of them before any of them were arrested. It was on this petition that Ricca yesterday won the right to remain here.

Ricca Seized In Mansion

Stewart filed the petition on the morning of June 16. It had been printed the day before. On June 15 a warrant was signed in Washington for the rearrest of only Ricca, and the warrant was sent here by messenger and Ricca was seized at his River Forest mansion. Instead of being taken to train or airport for return to prison, the deputy marshals took him to the county jail. There, a few hours later, Igoe's order rescued him.

Bail set at $10,000, was continued in effect by Igoe's last order yesterday.

Stewart alleged that the four were convicted in New York on perjured testimony and claimed they were not parole violators. A congressional committee had said the paroles were fraudulent and consequently the parole board was being coerced by congress, he charged.

Jurisdiction Challenged

United States Atty. Otto Kerner Jr., answered Stewart's charge by saying the court did not have jurisdiction to interfere when the parole board was seeking to return one of its charges to prison. On Nov. 10, Igoe announced that he considered he had jurisdiction and overruled Kerner's demurrer. John P. Lulinski, assistant United States attorney, asked Igoe to enter an order from which an appeal could be taken. The judge granted the motion.

It will be next May, or possibly next October, before a decision may be expected from the United States Court of Appeals, Kerner said. It may take another year to the United States Supreme court.

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62-20079-10

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES

TO : Director, FBI
ATTENTION: MR. A. ROSEN

DATE: November 30, 1948

FROM : SAC, Chicago

SUBJECT: LOUIS CAMPAGNA, was; et al
BRIBERY; PAROLE MATTERS

For the information of the Bureau there are transmitted the following news-paper clippings which relate to the captioned matter: Chicago Tribune, November 24th; Chicago Sun-Times, November 26th; and Chicago Sun-Times, November 27th.

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December 8, 1948

The Attorney General

Director, FBI

LOUIS CAMPAGNA, with aliases, ET AL
BRIBERY; PAROLE - 1965

RECORDED - 28

For further information in this case, I am enclosing herewith 5 photostat copies of newspaper articles published at Chicago.

Enclosures

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11/26/48

Jury Calls Bernstein In Vain

Attorney Eugene Bernstein was called to appear Friday before a special grand jury investigating the paroles of four Capone gang hoodlums, but failed to show up.

Prosecutors said he was in Tennessee on business.

Bernstein, with his co-defendant, Tony Accardo, Capone gang second lieutenant, were acquitted Sunday in Federal Court of charges of a conspiracy.

They had been charged with depriving the government of its right to decide who may visit prisons.

The charges grew out of several visits Bernstein and Accardo paid Louis "Little New York" Campagna and Paul "The Waiter" Ricca, two of the parolees, when they were in Leavenworth Prison.

Bernstein Testimony

Bernstein told a Federal
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Accardo

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The jury, for more than a year has been investigating the paroles granted Ricca, Campagna, Charles Gioe and Phil D'Andrea, released from prison after serving one-third of 10-year sentences imposed for a $1,000,000 movie industry shakedown.

Campagna and Gioe have been returned to prison on parole violation warrants. Ricca, also named in such a warrant, is free pending a government appeal of a writ of habeas corpus.

U. S. Attorney Otto Kerner Jr. said he would meet next week with the special grand jury to determine its future action. He indicated the jury has just about exhausted leads in the investigation.

Sun-Times Special

CHICAGO DAILY SUN

11/27/48

Bernstein ignores quickie parole quiz

The grand jury would have had a fine session Friday except for one thing.

The witness didn't show up. It was the special federal grand jury impaneled in October of 1947 to investigate the "quickie" paroles of four former Capone associates convicted in the $1,800,000 movie shakedown plot.

After their 13 months of work, in which two indictments were returned, the grand jurors figured to wind up Friday with the testimony from Attorney Eugene Bernstein.

Except that Bernstein wasn't there. He was out of town.

Bernstein was one of the two persons indicted in the 13-month probe. The other was Tony Accardo, former Capone associate. Both were tried and found not guilty on charges of falsifying records at Leavenworth penitentiary to have Accardo pose as Attorney Joseph L. Bulger of Chicago.

Anyway, it all leaves the jury rather up in the air.

It had been decided to hear Bernstein, then have a committee of the jurors meet next week with Otto Kerner Jr., U.S. attorney, and declare that no more witnesses should be heard.

Every field of investigation the jurors held had been gone into, but without success.

The four whose paroles are being investigated are Louis (Little New York) Campagna; Paul (The Waiter) Ricca; Charles (Cherry Nose) Gioe and Philip D'Andrea.

All were convicted of the huge extortion, but all were paroled after serving the minimum of their sentences. Which caused a congressional probe.

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